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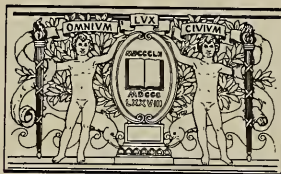
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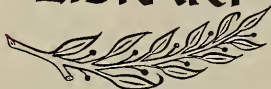
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Housing - student

THE REPORT OF THE HARVARD  
BUSINESS SCHOOL STUDENT  
ASSOCIATION HOUSING COMMITTEE  
ON MARRIED STUDENT HOUSING

APRIL, 1970



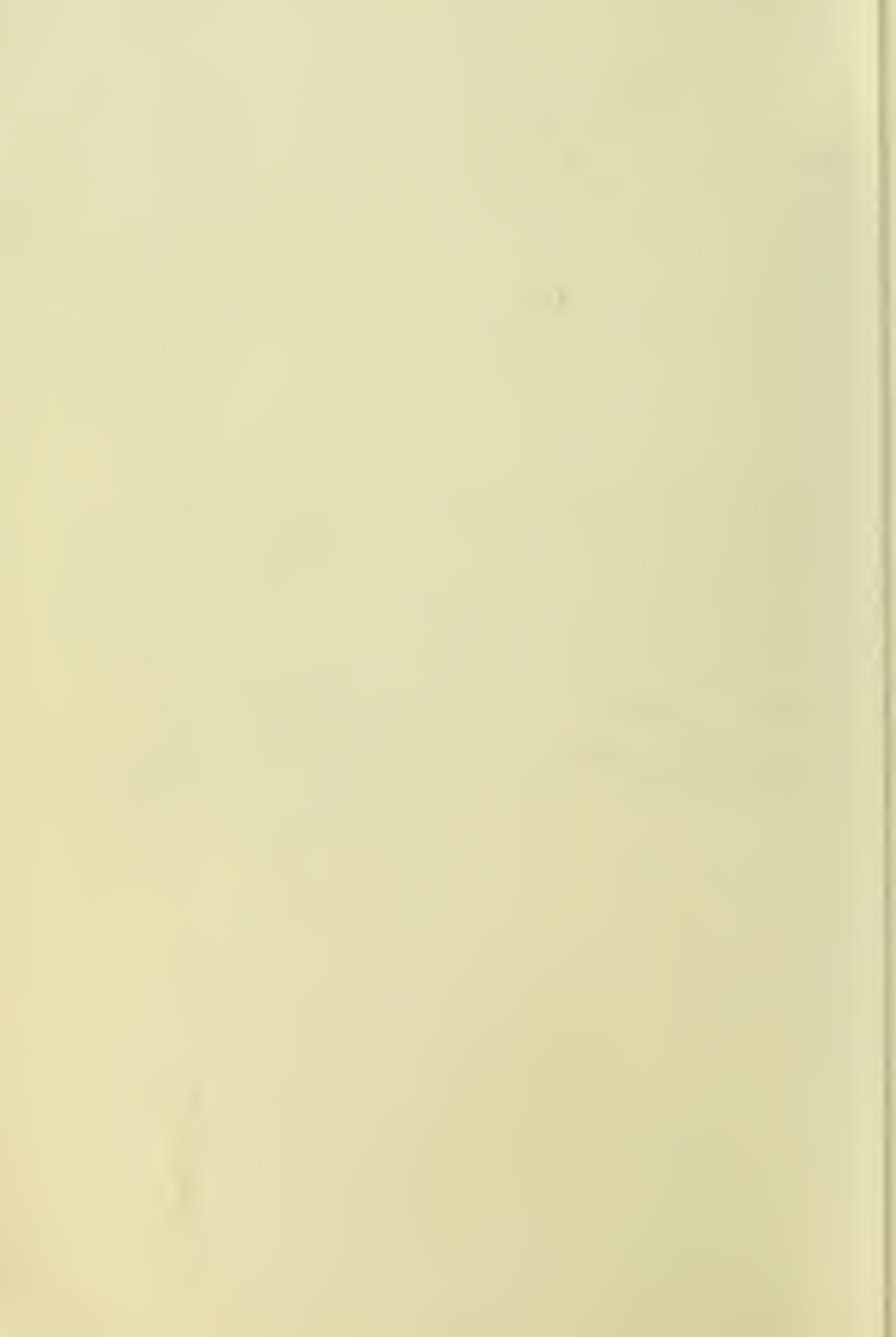
Stephen F. Roulet - Chairman  
Wiley J. Pickett, Jr. - Report Project Leader  
Vashtiwa G. Galitsis - Research Coordinator



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## INTRODUCTION

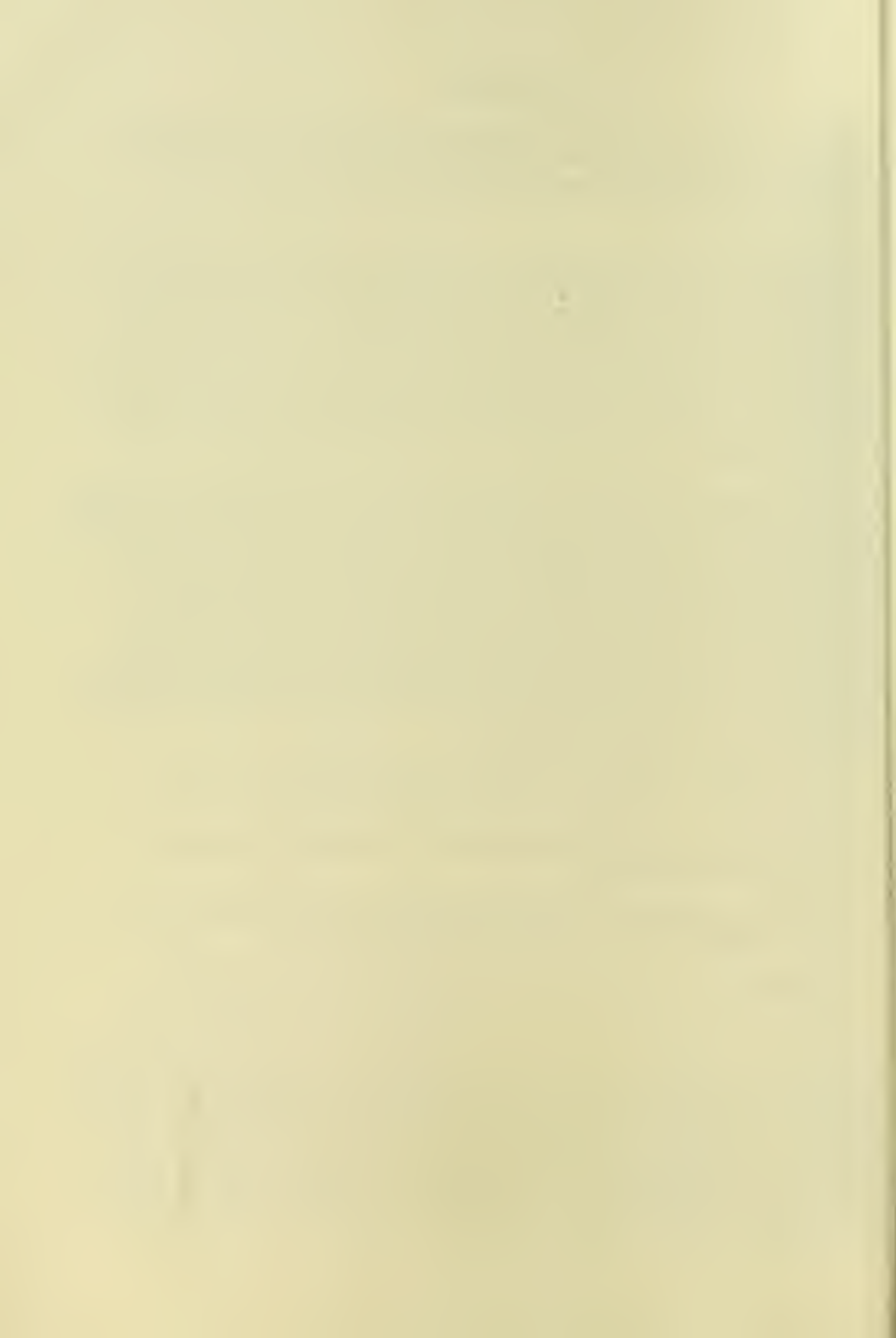
The Student Association Housing Committee was established in September, 1969, in response to the great problems Harvard Business School students experience in attempting to locate reasonably priced housing that is adequate for their needs.

The University register states that "it is to the advantage of students to live in University-operated halls near classroom, library, and administrative building of the School. Study under the case method of instruction is facilitated if living arrangements enable students to carry on group discussions of their case assignments." Married students find, however, that the supply of University-operated housing is much less than the demand, and consequently they must look elsewhere for living units. Most have little knowledge of the local real estate market and information sources are less than adequate. Further, in the last five years rents have perhaps doubled as there is sharply increased demand for a near-statis supply of units.

To review the chronology of the Housing Committee, the committee was instituted last September to serve as a vehicle to address the problem of married student housing. An initial investigation by second year S.A. Representative Stephen Roulac, founder and Chairman of the Housing Committee, revealed that no administrative officer of the Business School had specific responsibility for married student housing. Further, plans for providing additional units were quite vague and in the distant term, and there was very little data on the problem. The Housing Committee then planned its program, first to answer five specific questions, second, to establish a data base that would be useful for planning purposes and, third, to generate recommendations for responding to the housing problem. The five questions the committee wanted to answer included:

1. How severe a problem is married student housing in terms of locating an apartment, cost, and commuting time?
2. Are minority and foreign students experiencing more problems than other students?
3. What suggestions do current students have for incoming students in coping with the problem of finding housing?
4. How useful has the Harvard Housing Office been to students?
5. What is the demand for more University-operated housing units?

With the above objectives in mind, the preliminary scope of a questionnaire was defined. Kitty Galatsis assisted in writing and designing the questionnaire, and worked closely with Wiley Pickett, newly-elected first year SA Representative, who was appointed Project Leader with specific responsibility for the Housing Questionnaire. In the process of polishing and refining several drafts of the questionnaire, he consulted with a number of students and administrators, including Gerry Leader, Cathy Benningson, and Nominee Robinson. Specific attention was devoted to structuring the





## Introduction, cont.

questionnaire format to facilitate the effective tabulation of responses.

Once the questionnaire was finalized, Wiley Pickett conducted an imaginative publicity campaign that featured signs asking, "What is HQ?", "Why HQ?", and "HQ." The Housing Questionnaire was administered on February 19 and generated a strong response with 81% of first year and 66% of second year married students returning questionnaires. The tabulation job was a laborious one and the Project Leader performed a gargantuan task with the assistance of many volunteers as in excess of 500 questionnaires were processed.

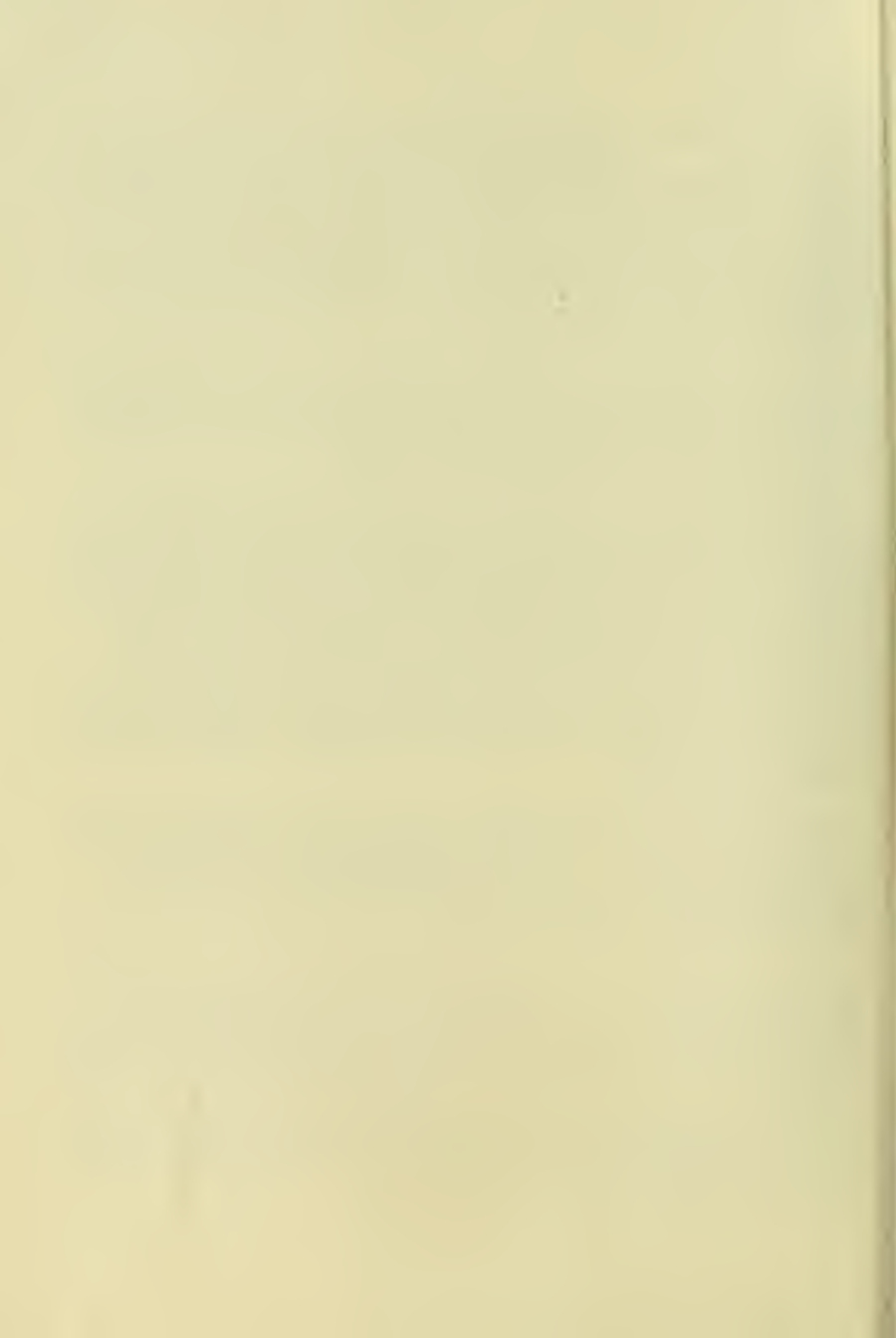
At this point Stephen Roulac and Wiley Pickett devoted substantial time to analysing the findings and evaluating student suggestions. While the questionnaire was administered, the former had concentrated on developing creative approaches to financing student housing, and both then combined to write the report and propose the recommendations.

The Housing Committee has conducted a thorough survey of the Business School married student housing situation. This report presents the results of that survey along with recommendations to alleviate the problem. The married student housing crisis is a problem which merits immediate attention as it has significant implications for the quality of the educational experience at the Business School. With HBS plans to admit an older and more international student body, it is probable that a larger proportion of married student housing will be needed. As conditions worsen and students are forced to pay higher rents for lesser quality units, the potential for conflicts between students and the administration and between the University and the community will increase. Rising construction costs encourage a prompt response since the solution will only become more expensive in future years.

The Housing Committee cannot conclude this introduction without expressing its gratitude to the numerous Business School students and administrators who assisted in developing the Housing Questionnaire and the preparation of this report. Without their assistance, this project would not have been completed and the housing crisis would continue to be something about which people worried rather than acted.

The Housing Committee notes that none of the three authors have a vested interest in obtaining married student housing; Mr. Roulac is graduating in June, Mrs. Galatsis is not an EBS student, nor is her husband, and Mr. Pickett is single. The authors note that the findings and recommendations included in this report are their own and have not, at this time, received endorsement or approval by the Executive Board of the Student Association.

In view of the strong response and contributions from so many, the Student Association Housing Committee is hopeful that the Harvard Business School will respond positively to the Housing Crisis.



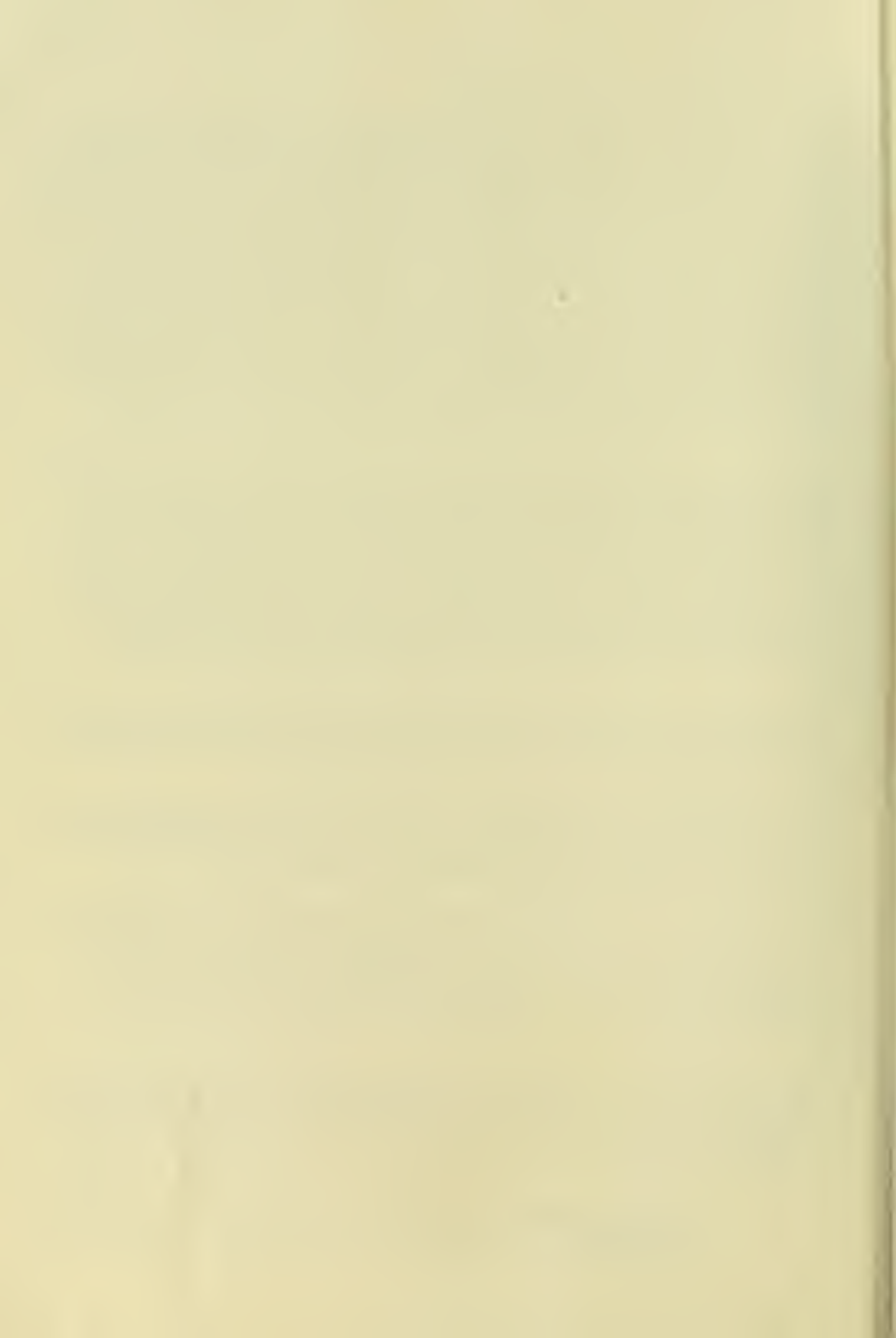
## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

The statistical results of the housing survey at the Business School were supported by numerous comments on the questionnaires. As might be expected, complaints about the abnormally high rental rates, coupled with the appallingly low quality of residences, were mentioned most frequently as the most objectionable part of apartment hunting. By far, the most vocal and recommendation-conscious group were the foreign students, who encountered more than their share of problems stemming from unfamiliarity with the geographical area, the surprise at the high prices, and often unfamiliarity with the local ways of transacting Real Estate business. Although the minority group students only mentioned isolated instances of racial discrimination, statistical evidence shows this group experiences a significantly higher percentage of dissatisfaction with apartments, longer time spent hunting for apartments, and a greater reliance on friends in locating apartments as opposed to the more "service oriented" locating services such as realtors or even the Harvard Housing Office.

Numerous complaints and accusations were leveled at the Harvard Housing Office charging inefficiency, discrimination, and favoritism in the allocation of University Owned Housing Units to students. Research into this area shows that official policy for admissions to University Owned Housing is on a first-come, first-served basis, with no preference given to financial status of students, length of distance students travel to enter the University, or the particular graduate school of the student. The only exception to this rule is the blocking off of approximately 40 units specifically for incoming foreign students; this exception is not explicitly stated in the policy of Harvard.

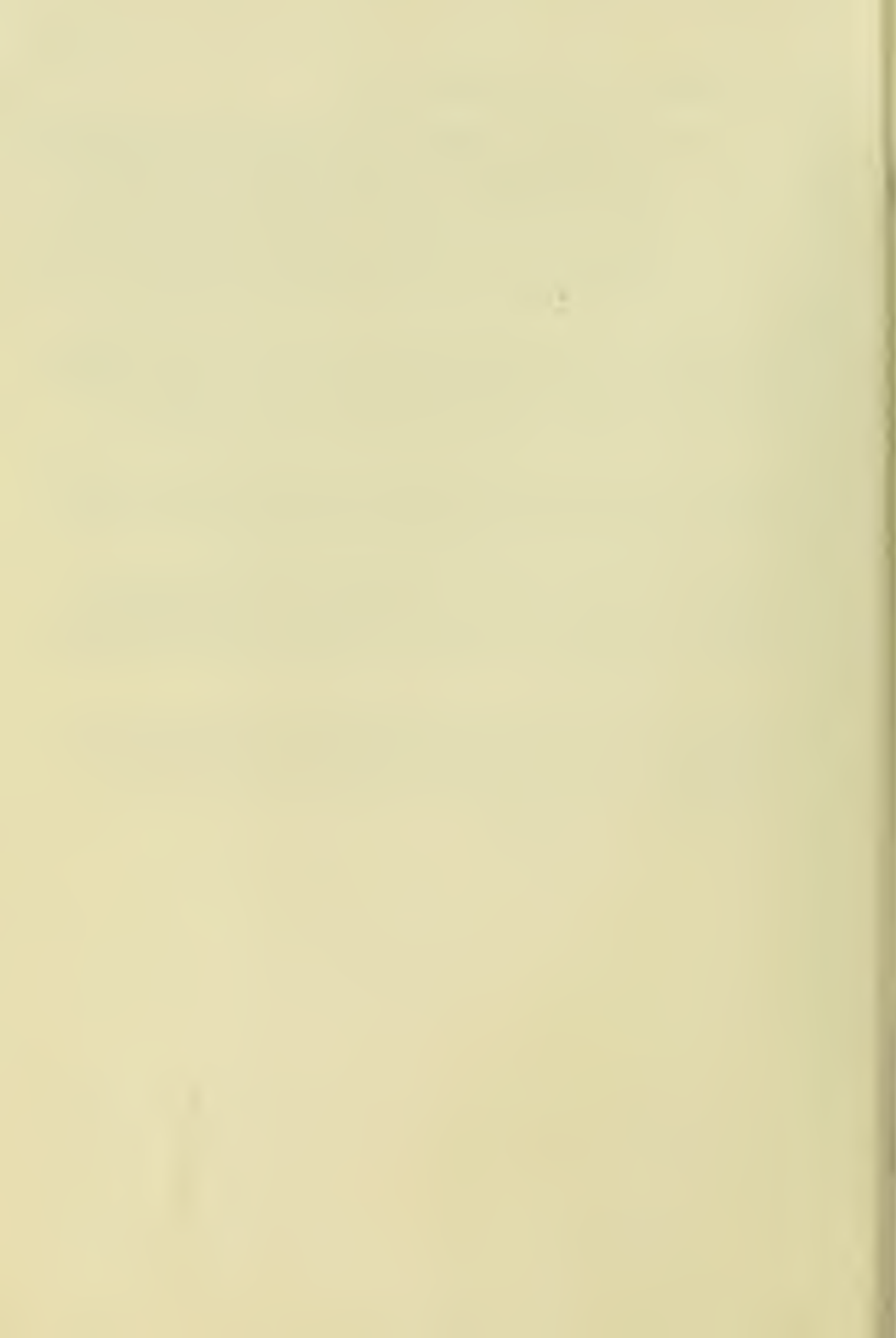
The Housing Committee of the Student Association proposes that the Administration of Harvard Business School consider the following recommendations for improving the housing situation for its married students:

1. We recommend that an individual of the level of assistant dean or above be assigned responsibility for married student housing. Currently no one has this responsibility and it is felt that an administrator could help alleviate problems which occur in this area.
2. We recommend that a student be assigned responsibility this summer for locating married student housing for incoming students; further that the University make \$10,000 of working capital available to him as deposits on apartments. While his expenses could be backed by the University, these could be defrayed by a small surcharge for each apartment located by the student.
3. Concerning University Owned Housing, we recommend that current admissions criteria and policy be reviewed and revised by the Harvard Planning Office (the body which sets the policy). We feel the following represent constructive alternatives to the now over-burdened housing situation:
  - A. Filling a significant percentage of units with individuals on financial aid using level of indebtedness as a guideline for admission.



## Summary of conclusions and recommendations, cont.

- B. Establishing a single cutoff date for housing applications and allocating units on a random basis rather than on the date of submission. The current system favors those students closest to the University who have heard how difficult UOH is to obtain. In line with this, the UOH office should improve its response time to students requesting UOH so that those rejected will be able to locate alternative housing while it is still available.
4. We recommend the University include in its planning the provision for appropriate housing for students with children. Results of the Questionnaire indicate students with more than 2 children have considerable difficulty finding adequate housing from the standpoint of neighborhood, schools, cost of quarters, and commuting time.
5. We recommend the University provide more student housing. The survey indicated a need for 585 more units (see Appendix 1). The use of creative financial policy in buying units and constructing new units make considerably savings possible (see Appendix 2).
6. We recommend the bias in favor of second year students in UOH be eliminated. Currently there are 102 second year students and 44 first year students living in UHO. In fact, first year students who are more unfamiliar with the area, have a greater need for UOH than second year students.
7. We recommend the University Housing make every effort to screen apartment listings and reject those landlords who refuse to rent to foreign or minority group students. We are aware that this is the stated policy of the Harvard Housing Office; however instances of discrimination were reported.



ENVIRONMENT

The housing problems facing Harvard Business School married students are not unique but merely more acute than those that exist nation-wide. There is a general shortage of housing throughout the nation, and the problem is even more severe in New York, Boston and other major urban areas. While the President's Committee on Urban Housing recommended a goal of 26 million additional housing units by 1978, the current annual rate of starts, approximately 1.1 million, is less than 50% of the required rate to reach this objective. Money market conditions, national economic policy, and institutional constraints combine to retard an effective response to the national housing crisis.

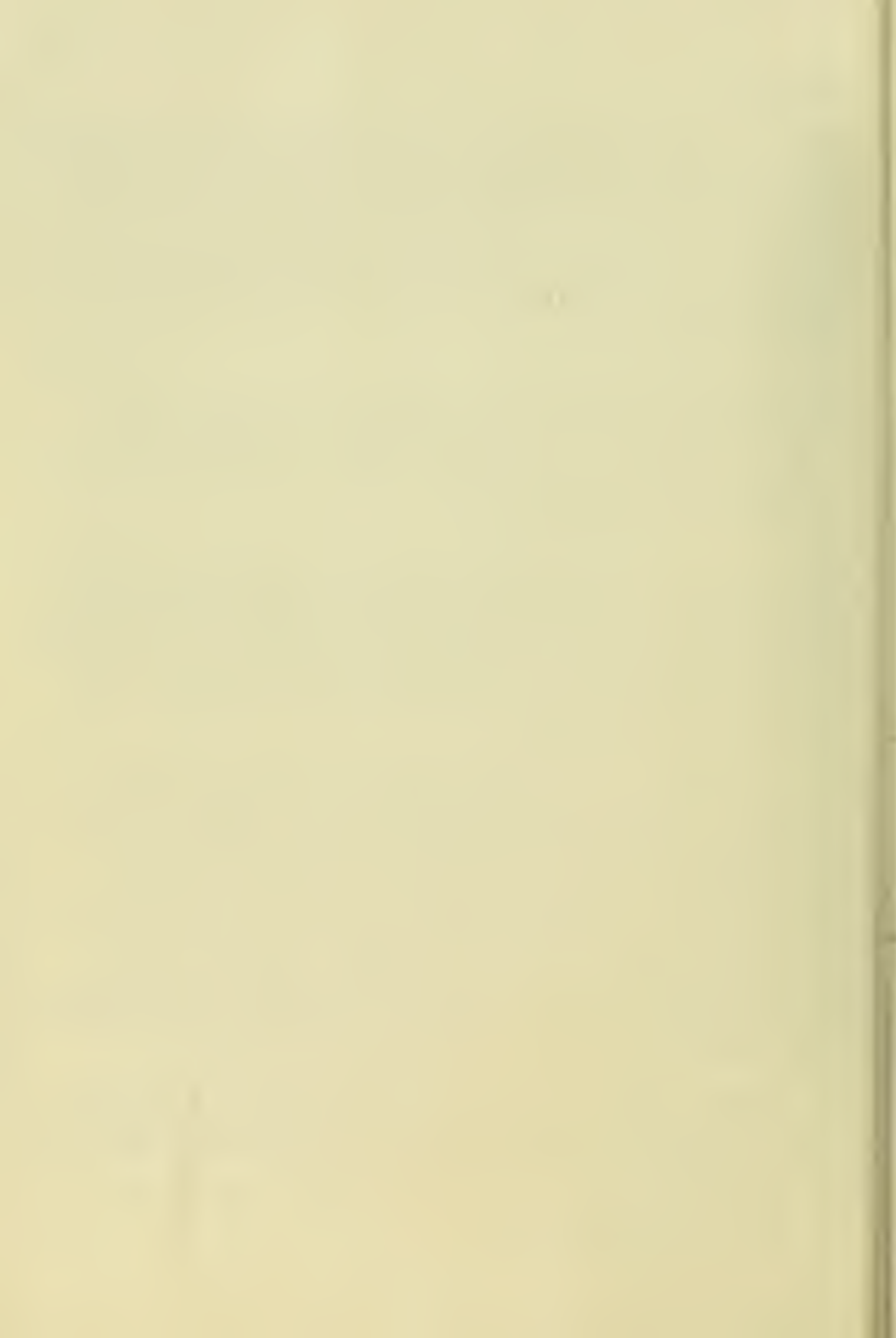
The Harvard University Committee on the University and the City reported that while "in the past, Harvard, insofar as it is a corporate entity, has generally followed a policy of seeking to minimize its impact on the community.... Increasingly, however, it has become clear that many elements of the community - faculty, students, employees, and non-Harvard residents - expect something more or something different from the university." (1)

Indeed, this every policy of minimal impact may in fact have aggravated certain problems. Since students must be housed whether or not the institutions they attend provide this housing, not providing adequate housing causes problems for both the students and the community, and problems of students and the community are problems of the university. This particular aspect of the housing crisis is being studied by other groups, and while a thorough consideration of it is beyond the scope of this report, the Business School's response should be made in the context of these groups' findings and recommendations.

During the summer of 1969 the Urban Institute of Boston University in cooperation with The Lincoln Filene Center of Tufts University prepared a report on the Boston housing situation entitled UNIVERSITY IMPACT ON HOUSING SUPPLY AND RENTAL IN THE CITY OF BOSTON for the Mayor's Committee on the Urban University. From this report, the Student Association Housing Committee has gleaned a number of useful facts and background information on the area housing problem as it relates to students. Some of the statistics apply to all 50 universities in the Boston locale but primarily the figures relate to the nine major universities, namely - Boston College, Boston University, Boston State, Harvard, MIT, Northeastern, Simmons, Tufts and U. of Mass. By reporting some of the findings of the B.U. Urban Institute study, we hope to provide a setting for the facts obtained from the recent Student Association questionnaire.

In 1968-1969, 103,000 full-time students, enrolled in 50 colleges and universities, lived in the Boston area. The large part of the demand for housing was made up of students from the five largest universities:

(1) From the "Preliminary Report of the Committee on the University and the City, December, 1968.



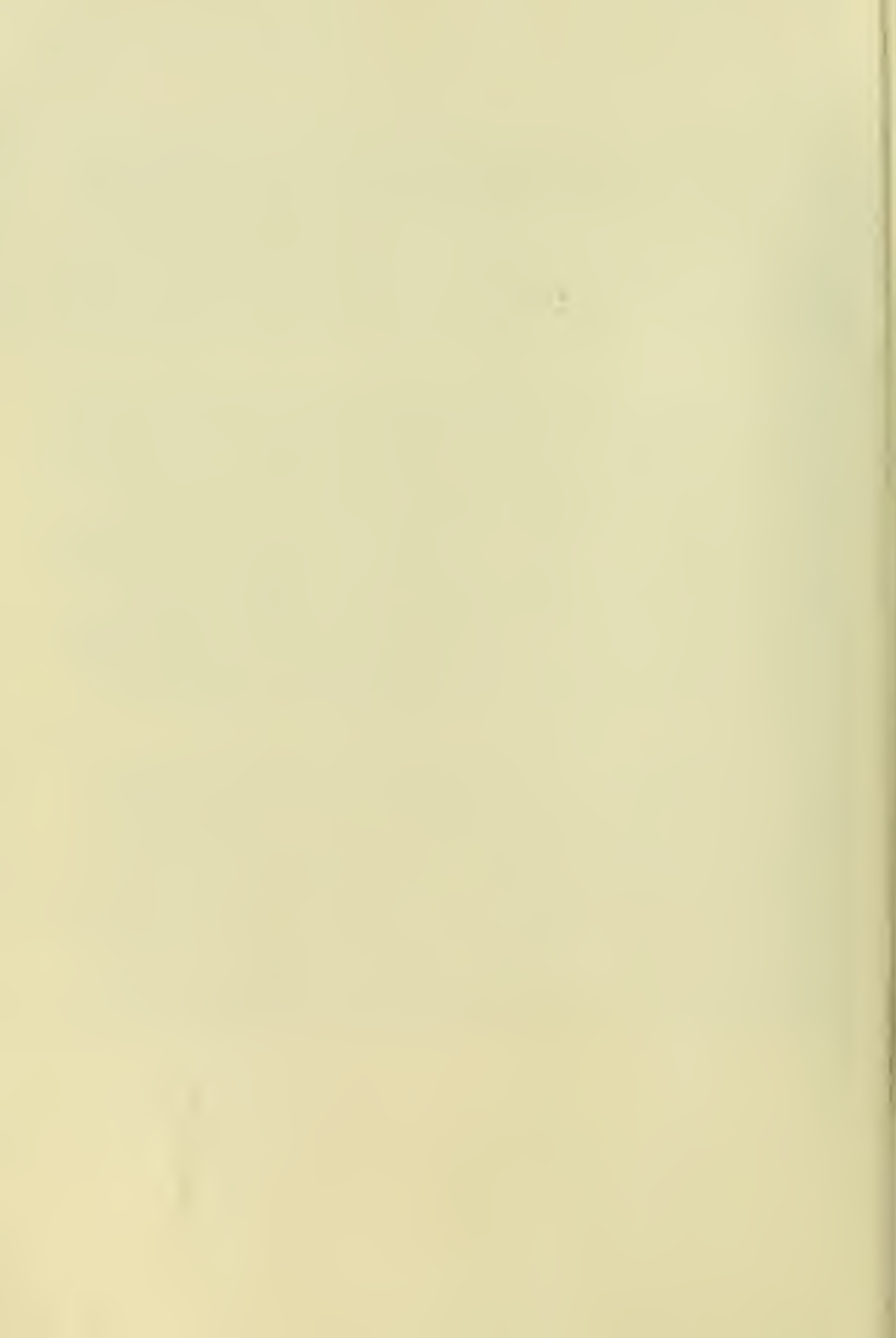


## Environment, cont.

~~Boston College, Boston University, Northeastern, Harvard and MIT. From these five schools, approximately 19,000 students were in the market for off-campus housing.~~ Since the majority of the area's full-time students are undergraduates, they make up the bulk of the housing demand. The graduate students in the 50 schools represent less than 20% of the student population. As of 1969, the graduate students in the 50 schools numbered 22,413 which represents a gradual increase of 7,399 over the last ten years. Harvard University, in the 1968-1969 survey, had 9,125 full time graduate students.

In the Boston area, 12,000 housing units are occupied by students. The city of Boston has around 55,000 housing units, 4,000 of which are occupied by students. Actually, less than 10 percent of the available apartments are lived in by students and university affiliated people. This percentage figure can be deceptive, however, as students tend to rule out a certain portion of the available housing as being undesirable for their needs. Students not housed in university housing are forced to compete in the open housing market, and to live in housing normally occupied by the area's non-academic population. Newer, more expensive housing units are usually out of the reach of most students who are forced by high prices and by competition with young professionals into the less attractive older buildings. In addition, students naturally tend to prefer living as close to their school as possible. Toward this end, they band together to pay higher rents. This has caused landlords to raise their rents near the universities, driving out singles and families and also making it more difficult even for groups of students to find accommodations.

Some of the universities help alleviate the housing problem by providing university-owned housing for their students. MIT, Harvard and Boston University have made the most significant contributions in this area. However, only one-third of their students are university-housed. Of the 21,000 graduate students in the nine-school survey, less than 4,000 or 20% were living in University housing. As of the summer of 1969, there was a waiting list of 1500 families for the existing Harvard-Married Student Housing units. To do it justice, Harvard University has done more than any other area school in providing university-owned housing, particularly for its married students. Currently, despite the need for more such housing, not many more units are being planned. The next set of units to be built will be in the Shady Hill area and will be principally for faculty with possibly a small number of apartments for married students.



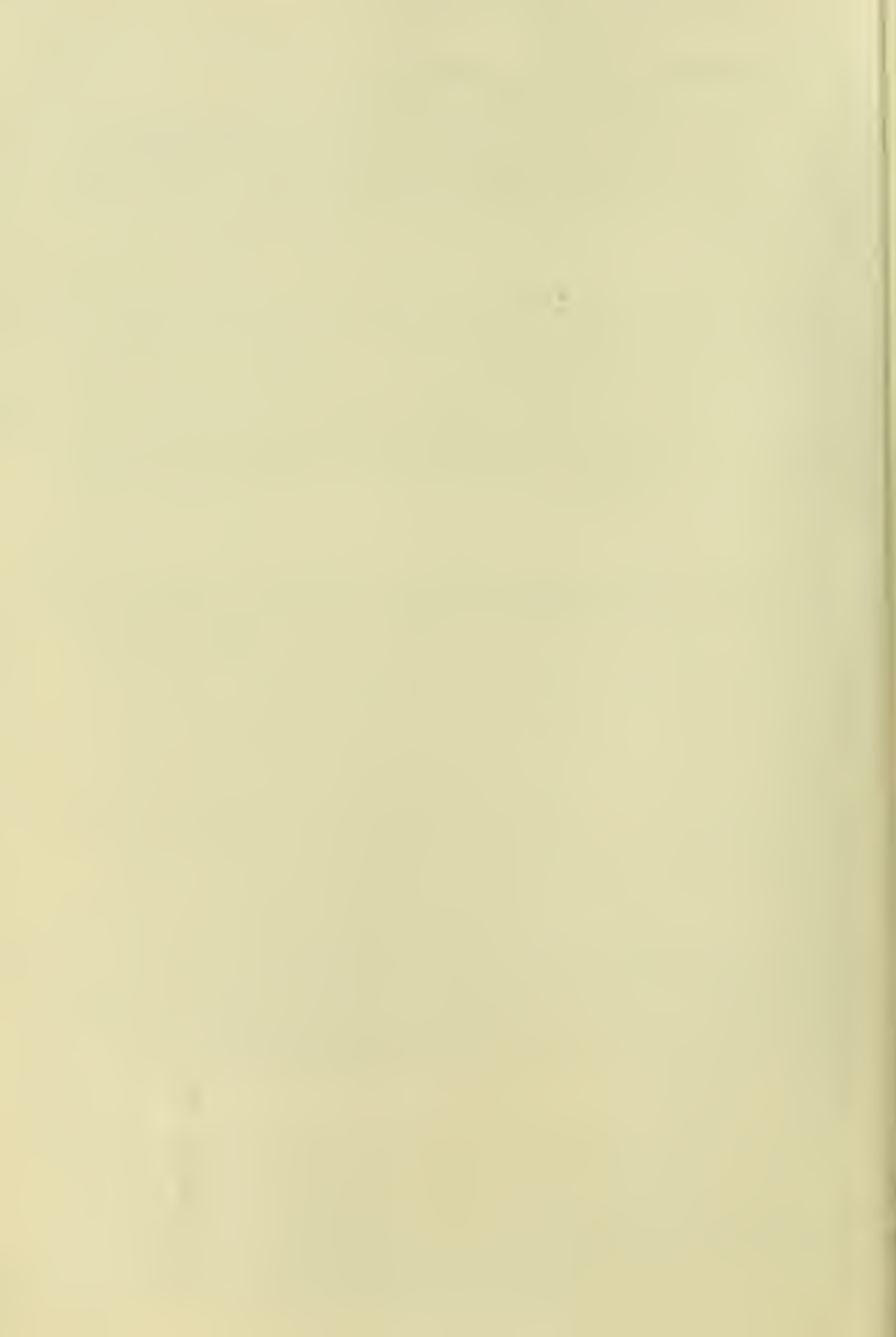
ANALYSIS OF RESULTS OF THE HOUSING QUESTIONNAIRE

The introduction contains an explanation of how the Housing Questionnaire evolved. In this section, we will attempt to explain the meaning behind the statistical responses to the Questionnaire, by reviewing differences in various group responses, and then elaborating on some of the more common complaints mentioned in the "COMMENTS" portion of the Questionnaire. These complaints shed considerable light on some of the deviations in group responses.

Approximately 81% of the First Year off-campus students (322) responded to the questionnaire, and about 52% (284) Second Year students responded; however, 66% of the married second year students responded (it is these responses in which the Housing Committee is most interested). We feel the 66% response in the Second Year was excellent, especially in light of the issuance of the Second Year Course Survey the day before the Housing Questionnaire, thereby diluting our publicity. These high levels of response indicate the concern of students for the housing issue, and this concern was further emphasized by their comments. In short, the Committee feels the results of the survey are an accurate reflection of the feelings of the HBS off-campus students.

The statistical breakdown of the results of the Questionnaire are presented in tables following this analysis. Although newspapers and realtors accounted for 57% of the apartment locations in the First Year, many drawbacks to this approach were noted by students. Newspaper advertised apartments were either quickly rented, or else were overpriced, dirty or poorly equipped. Some realtors showed students the less desirable apartments first, in an effort to "unload" them. The foreign and minority students relied more heavily on friends to locate apartments for them than did students classified in the "general" category. On the average it took students in the minority group over a day longer to find an apartment than other groups (5.2 days versus 4.1 days). Despite the extra day's looking students in the minority group were twice as dissatisfied (41%) with their housing as the general student category (20%). A significantly high percentage of minority students expressed preference for university owned housing if it were available (95%), compared to the average preference of 70%. This significant dissatisfaction on the part of minority group students was partly related to racial discrimination by landlords (30% indicated they experienced discrimination - about 2-3 times the amount experienced by the general group). Ironically, the foreign and minority groups found the Harvard Housing Office less useful to them than the general student; questionnaires from these groups contained additional unfavorable comments about the Housing Office, such as "Worse than nothing" and "most unhelpful" and showed complete lack of interest in applicants. Apparently these groups had higher expectations about the utility of the office and they received poorer service.

In reviewing the questionnaires, it is quite obvious that the foreign students took considerably more time and care in preparing their questionnaires; all questions were answered by almost all respondents, whereas other groups did not take the time to respond to all the questions. Comments from the foreign students were significantly more numerous (80% of the foreign added optional comments compared to a range from 25% to 40% for any of the other groups). Further, the comments from the foreign students were not



Analysis of Results, cont.

trivial in nature" but well-considered statements on how the University must improve the expensive and inadequate housing or face the possibility of alienating qualified foreign married students in future classes. While 33% of the "general group" experienced unexpected difficulties in locating housing, 58% of the foreign group and 47% of the minority group had similar problems. One of the universal complaints of the foreign group was the dearth of information about towns and communities around HBS. None were aware, much less prepared for, the magnitude of the inflated price structure and poor quality of local apartments.

"Discrimination in locating housing" proved to be an interesting question. About 30% of the minority respondents indicated they experienced discrimination, compared to 10% of the foreign and 13% of the general group. While minority respondents commented on racial discrimination they tended to "down-play" these incidents as contrasted to the heated reports of at least two southern students who were obviously upset at apartment owners. Their southern accents were, over the phone, assumed to be Negro accents and they received poor service, or had to appear in person. (Aggravation was directed toward their condemnation of the existence of northern racial discrimination as opposed to a bemoaning of being mistaken for black).

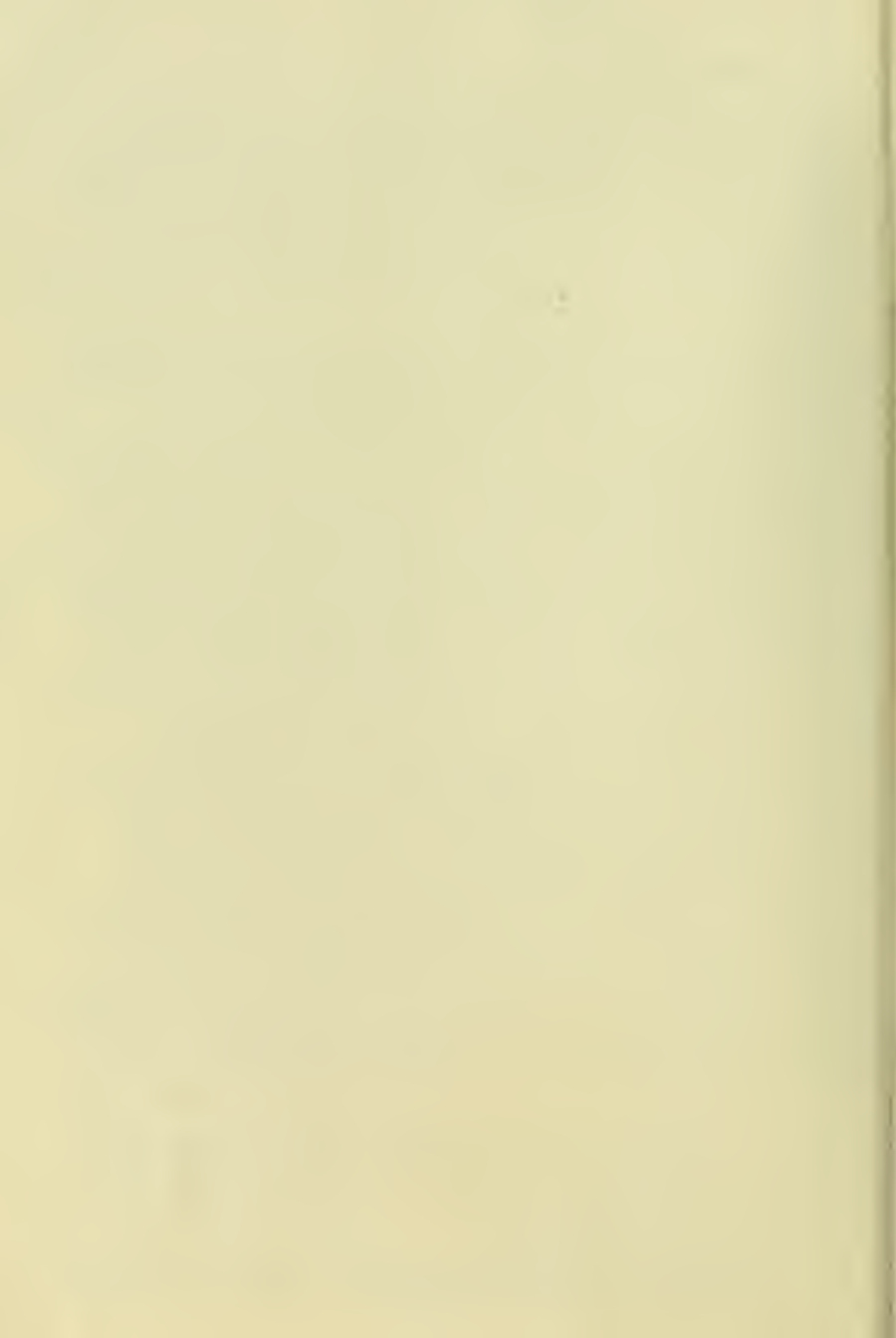
Students in general are rejected at many potential apartments, although many HBS students were able to convince landlords that they as HBS students were good risks. Cases of discrimination reported by the "general group" included the following list of reasons: went to Harvard (association with "spring riots"), children, "Are you two really married?", pets, and up to two months rent required as a deposit (non-interest bearing).

University Owned Housing came under severe attack by many of the responders. Statistics show that about 82% of the first year students living in University Owned Housing applied before acceptance to HBS compared to 38% of those not living in University Owned housing. Many student stated they were unaware they could apply for University Owned Housing before being accepted. Students who were not accepted in UOH complained that they knew of other students who applied after they did yet were accepted into UOH; many others expressed their belief that a student could move his "number" up on the priority list by making constant visits and telephone calls to the Housing Office. Students complained of the waiting list procedure whereby a student is put on a waiting list solely for the type of apartment he requested. Several people expressed the complaint that they received notification of acceptance into UOH very late and if they had not received it, they would have been hard-pressed to find alternative housing. Several students were never notified of a decision and were sadly disappointed when they arrived in Cambridge and found they in fact could not live in University Owned Housing. One or two students who obtained UOH pointed out their lease began in June but they did not take occupancy until September.

A local real estate firm, Hummerts and Company, has the responsibility for managing and maintaining the Harvard University Housing. The University

1. Examples of trivial comments include, "Come early, expect the worst." "I was lucky." and "I hate Boston."

2. It is possible that more minority group students experienced difficulties but had anticipated them and did not, therefore, consider them "unexpected."



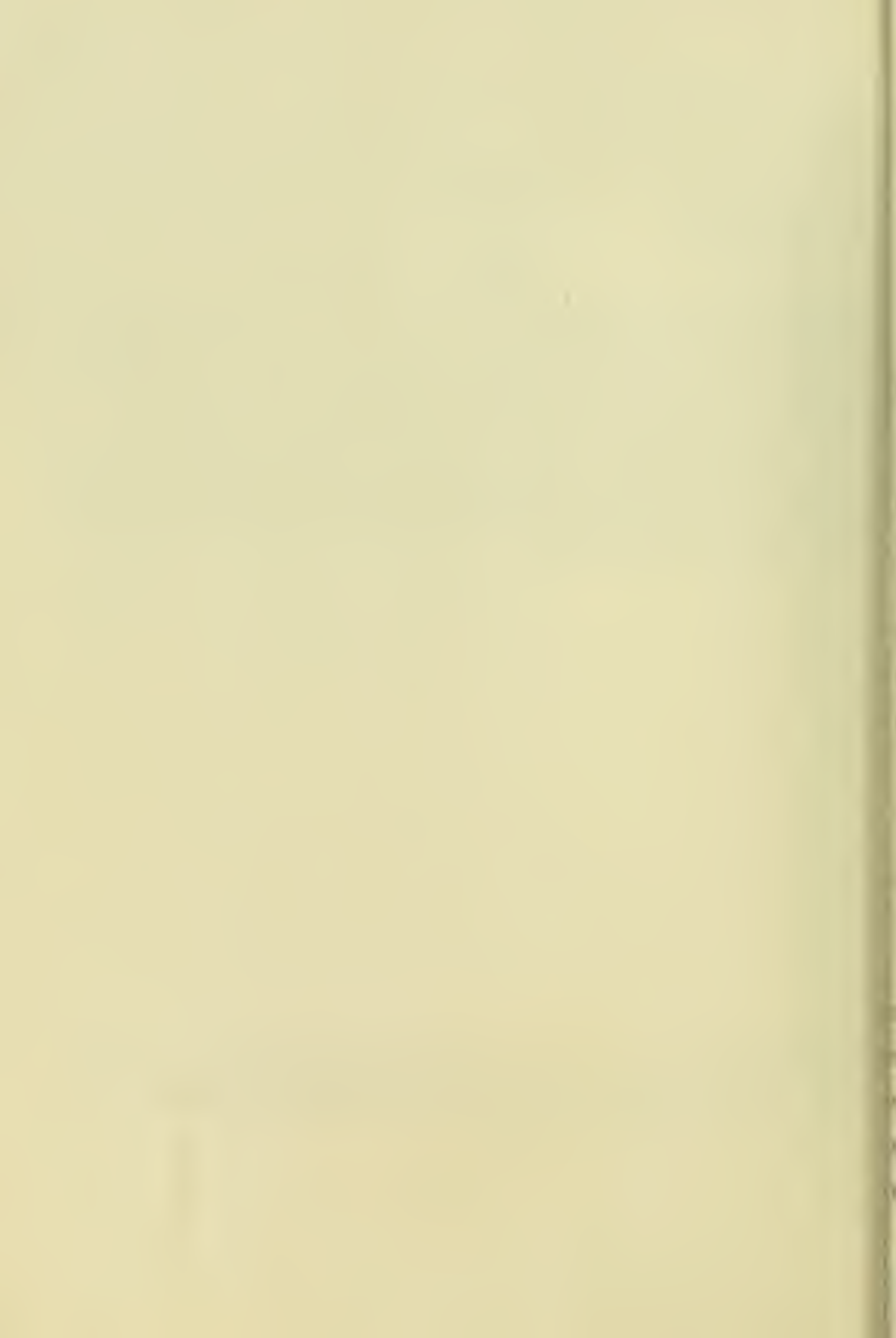
## Analysis of Results, cont.

## Owned Housing includes:

Peabody Terrace	497 Units
Holden Green	105 "
Shaler Lane	50 "
Haskins Hall	80 "
	<u>722 Units</u> -- Approximately

The Housing Office of Harvard makes the assignment of married students to UOH Units based on the criteria of first-come, first-served basis with no preference given to financial status of students, length of travel to Harvard, or the particular graduate school of the applicant. The one exception to this rule is the holding in reserve of approximately 40 units a year for foreign students arriving in September; this exception is not explicitly stated in the information on Harvard Owned Housing.<sup>3</sup> The Harvard Planning Office establishes the criteria for admission to UOH; according to Mr. Brown of Hunneman, this policy has remained static for the past couple of years, but the Committee might be receptive to a proposal for a change in Housing Policy.

3. Presumably this avoids having to deny special exceptions to the policy which would undoubtedly occur if this were stated. This is the opinion of the authors, however, and does not necessarily represent the rationale of the Housing Office.





## TABLES

## 1. DID YOU APPLY FOR UNIVERSITY HOUSING? (% YES - Married)

	<u>1st YR</u>	<u>2nd YR</u>
GENERAL (non-minority, non-foreign)	65%	51%
FOREIGN	80%	65%
MINORITY	65%	***

\*\*\*indicates that the response in this area was too small to give a valid sample.

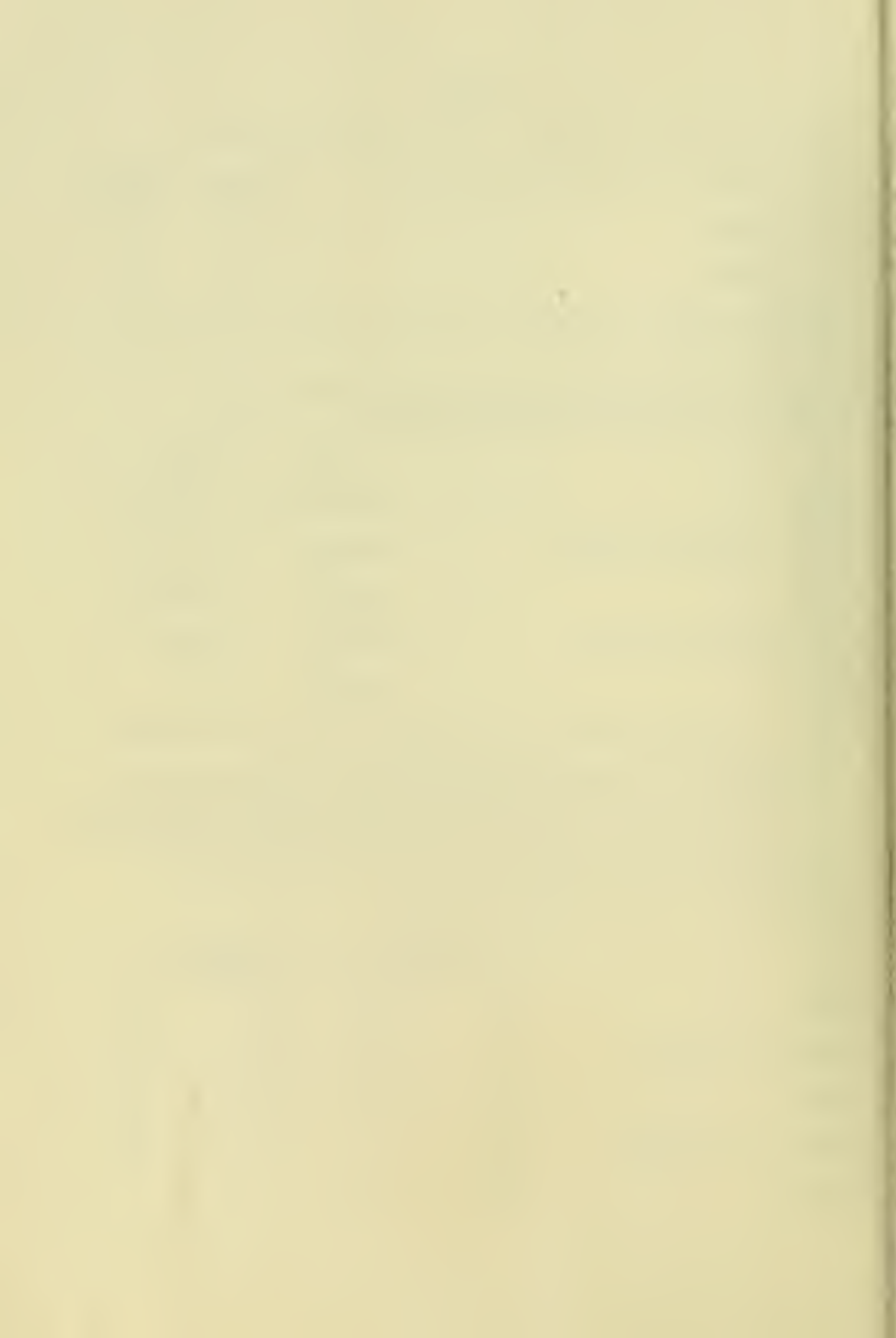
## 2. PERCENTAGE OF STUDENTS WHO APPLIED FOR UNIVERSITY HOUSING BEFORE ACCEPTANCE AT THE BUSINESS SCHOOL.

	<u>1st YR</u>	<u>2nd YR</u>
GENERAL	38% (218)*	28% (162)
GENERAL - UNIVERSITY HOUSING	82% (35)	60% (47)
FOREIGN	44% (23)	31% (22)
FOREIGN-UNIVERSITY HOUSING	100% (6)	43% (8)
MINORITY	50% (17)	***
MINORITY - UNIVERSITY HOUSING	(Insufficient data for this category)	

\*The figure to the right of the percentages in the parentheses represents the number of returns which were received and tabulated in each category. Note that we are only considering married student housing and have excluded data on singles from these exhibits.

## 3. HOUSING OFFICE WAS NOT HELPFUL TO YOU (%) AND (%) WOULD NOT RECOMMEND IT TO OTHER HARVARD STUDENTS.

	% <u>1st YR</u>	% <u>2nd YR</u>	% <u>1st YR</u>	% <u>2nd YR</u>
	not helpful/not rec.	not helpful/not rec.	not helpful/not rec.	not helpful/not rec.
GENERAL	47%	25%	52%	29%
GENERAL-UNIV. HOUSING	23%	17%	11%	8%
FOREIGN	50%	38%	8%	4%
FOREIGN - UNIV. HOUSING	20%	0%	0%	20%
MINORITY	67%	54%	-	-



Some of the tabulated data were:

71

4. YOU FOUND YOUR APARTMENT THROUGH

	Newspaper		Realtor		SA List		Friends		Other		Total	
	1st yr	2nd yr	1st	2nd	1st	2nd	1st	2nd	1st	2nd	1st	2nd
GENERAL	24%	23%	33%	36%	2%	2%	25%	24%	16%	15%	100	100
FOREIGN	16%	7%	26%	33%	--	20%	37%	26%	21%	14%	100	100
MINORITY	23%	--	15%	--	8%	--	39%	--	15%	--	100	--

5. AVERAGE STUDENT DAYS SPENT LOOKING FOR HOUSING

	<u>1st year</u>	<u>2nd year</u>
GENERAL	4.1 days	5.0 days
FOREIGN	3.9	3.9
MINORITY	5.2	

6. A. DO YOU FEEL YOUR LEASE HAS REASONABLE TERMS (%NO)  
 B. ARE YOU SATISFIED WITH HOUSING YOU WERE ABLE TO FIND (%NO)  
 C. WOULD YOU PREFER TO LIVE IN UNIV. HOUSING (%YES)

	Not a Reasonable lease		Satisfied with housing		Prefer U. Housing		Univ. has obligation	
	1st yr	2nd yr	1st yr	2nd yr	1st yr	2nd yr	1st yr	2nd yr
GENERAL	21	25	20	22	70	53	61	47
GEN,UH	14	15	9	2	92	100	66	80
FOREIGN	25	11	27	9	78	64	62	64
FOR,UH	17	0	0	0	100	100	83	88
MINORITY	29	--	41	-	95	-	88	-

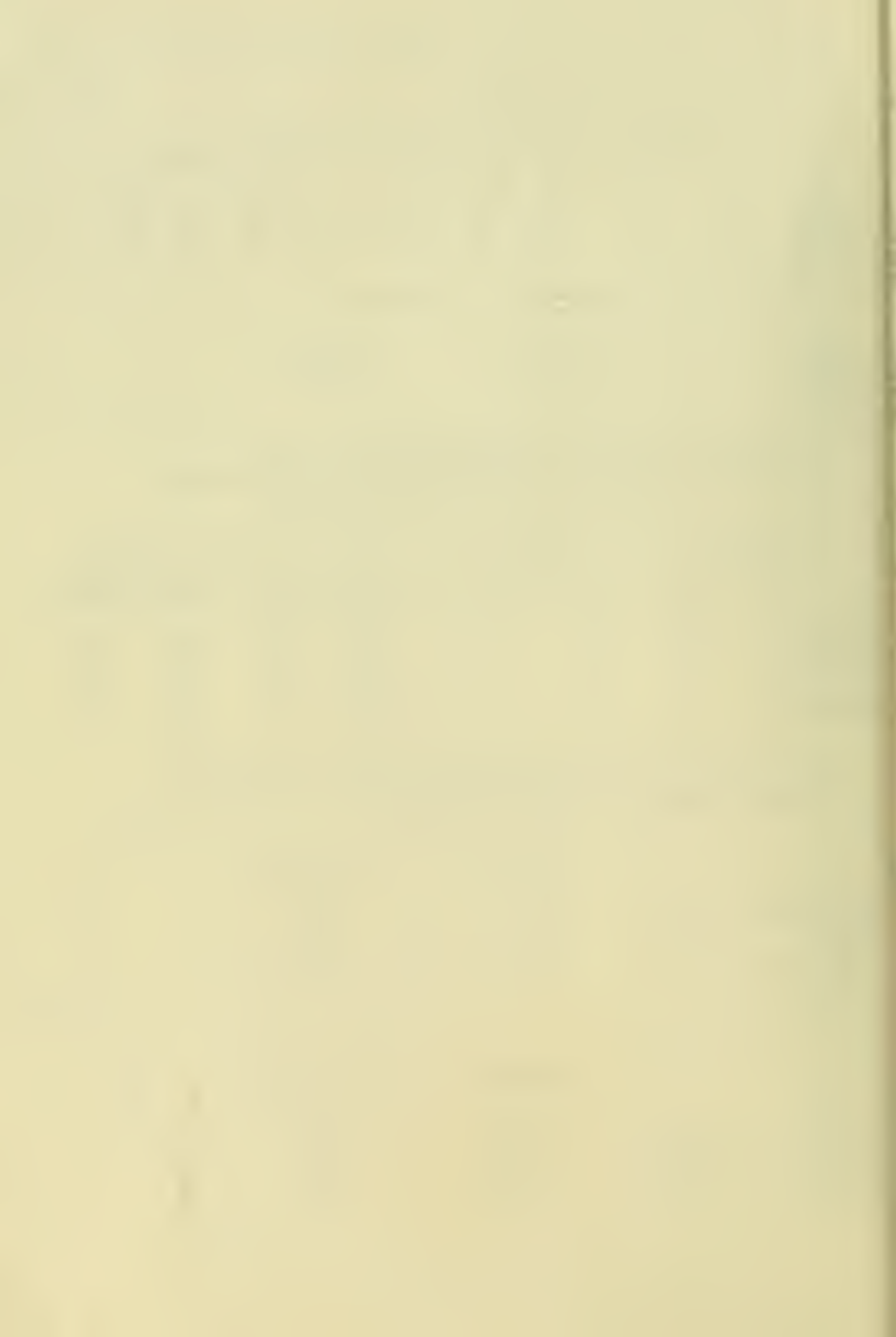
D. DOES UNIVERSITY HAVE OBLIGATION TO PROVIDE HOUSING? (%YES)

7. NUMBER OF PEOPLE WHO MOVED (% OF CATEGORY)

	<u>1st year</u>	<u>2nd year</u>
GENERAL	10%	16%
GENERAL-UNIV. HOUSING	12%	40%
FOREIGN	18%	9%
FOREIGN -UNIV. HOUSING	17%	13%
MINORITY	6%	-

8. AVERAGE RENTAL RATES

	<u>1st year</u>	<u>2nd year</u>
GENERAL	\$197	\$186
GENERAL, UNIV. HOUSING	\$140	\$136
FOREIGN	\$187	\$203
FOREIGN, UNIV. HOUSING	\$121	\$128
MINORITY	\$188	--



## 9. TIME OF YEAR STUDENTS HUNTED FOR APARTMENTS

## First Year

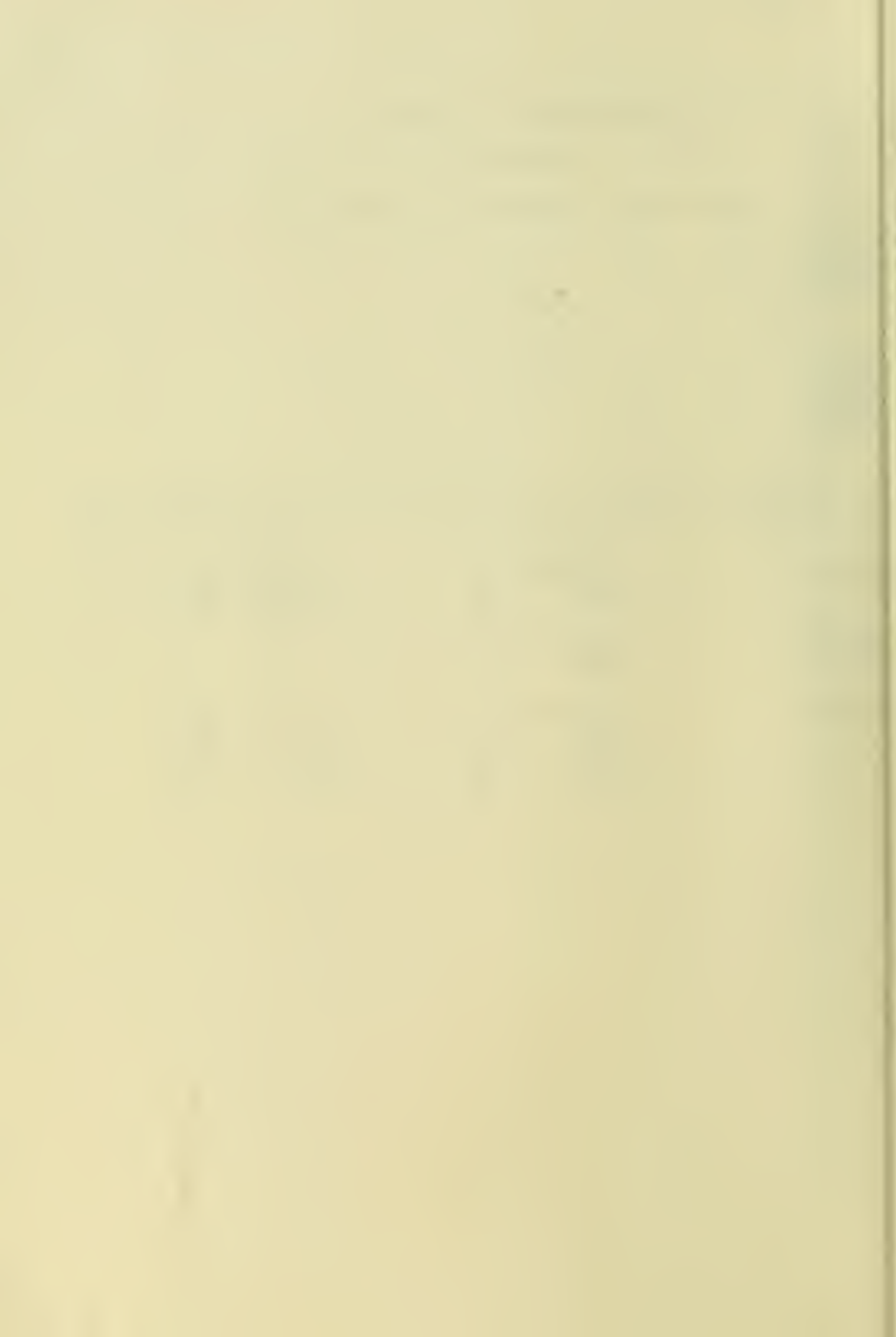
	<u>Apr/May</u>	<u>June</u>	<u>July/Aug</u>	<u>Sept</u>	<u>Other</u>
GENERAL	32	47	46	11	
MINORITY	3	4	8	1	1
FOREIGN	2	5	12	3	

## Second Year

GENERAL	47	35	44	10	10
MINORITY	--	--	--	--	--
FOREIGN	--	--	--	--	--

## 10. STATISTICS ON MARRIED HARVARD BUSINESS SCHOOL STUDENT COMMUTING TIMES.

	<u>1st year</u>		<u>2nd year</u>	
FOREIGN	0-15 min.	70%	0-15 min.	82%
	16-30 "	38%	16-30 min.	18%
MINORITY	0-15 min.	82%	-----	
	16-30 "	18%		
GENERAL	0-15 min.	51%	0-15 min.	54%
	16-30 "	33%	16-30 "	32%
	31-45 "	10%	31-45 "	11%
	46-60 "	6%	46-60 "	3%



## PROPOSALS

1. RECOMMEND an individual of the level of assistant dean or above be assigned responsibility for the functional area of student housing.

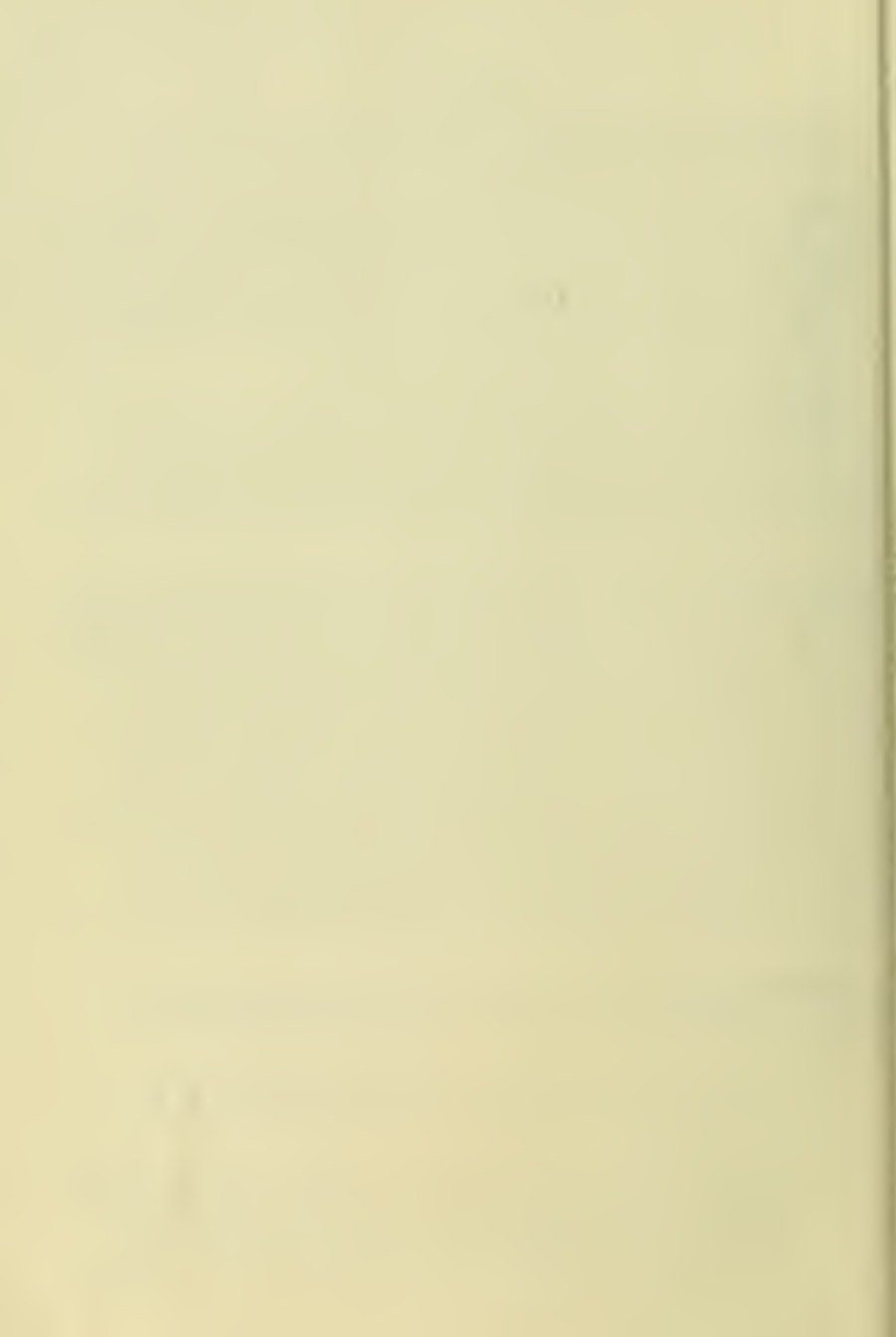
Discussion. Currently no administrator has this responsibility. First Year students have indicated their displeasure with the lack of information about off-campus student housing at HBS. Particular difficulties have been experienced by foreign students, who are particularly vulnerable to the overheated local housing market because of limited funds. Minority group students are also experiencing problems in locating adequate off-campus housing. This Administrator would also be able to represent HBS viewpoints at the Harvard University Planning Office meetings.

2. RECOMMEND an MBA student be assigned responsibility this summer for locating married student housing for incoming students; further that the University make \$10,000 of working capital available to this student to use as deposits to hold apartments for incoming students. While his salary and expenses would be underwritten by Harvard Business School, these could be defrayed by charging incoming students a small fee for each apartment located by this student.

Discussion. On the surface this may appear to entail a substantial risk; however, with the tight apartment market, it appears it would be relatively unlikely that any deposits would be lost, even with "no-shows" by students. First of all, students requesting this service would be required to forward a partial deposit to help defray expenses and to give some assurance of follow-through on the request. Secondly, if a student "no-showed", the apartment could easily be sublet on the open market to a willing non-HBS individual. There appears that there would be a considerable demand for these services; 57% of the first year and 60% of the second year students located their apartments through either newspapers or realtors, implying that they had no contacts in the area who would help them find apartments. The average amount of time spent apartment hunting was about 4 days, which is expensive in terms of hotel expenses and in terms of potential work days a student could use if he were guaranteed housing upon his arrival. Naturally, there are many more details and legal ramifications which would have to be overcome before this recommendation could be implemented, but we feel they can be overcome.

3. RECOMMEND the current admissions criteria and policy be reviewed and revised by the Harvard Planning Office in line with what we feel are constructive alternatives to the now over-burdened University Owned Housing situation:

- a. Fill a significant percentage of units with individuals on financial aid using the level of indebtedness as a guideline for admission.
- b. Establish a single cutoff date for submission of UOH applications and allocate on a random order rather than on the date of submission. In line with this, the UOH office should improve its response time to students requesting UOH so that those rejected will be able to locate alternative housing before it is exhausted.





- c. Another approach to the problem would be to assign a waiting line number to each UOH applicant when their application has been processed. Each week, the number of units occupied, the number of units being vacated, and the waiting-line numbers of persons being notified of vacancies should be publicized. This procedure would:
  1. Give applicants an exact idea of where they stand at any time.
  2. Eliminate the accusations and possibilities of mismanagement by the housing office.
  3. Act as a constant reminder to all citizens of the University community of the critical nature of this problem.

Discussion. Because of the increasing difficulty of obtaining UOH units, and because the average UOH rental rate is \$50 less than non-UOH units, we believe the University must acknowledge the benefit of this differential and give adequate consideration to the financial status of applicants. The proposed financial aid pool would serve to fulfill this objective, (concerning the random and public disclosure of waiting line status, we believe this would reduce some of the current complaints about apartment assignments and also help remove any irregularities if any exist).

4. RECOMMEND the University include in its planning the provision for appropriate housing for students with children, and in particular for those families with five or more members.

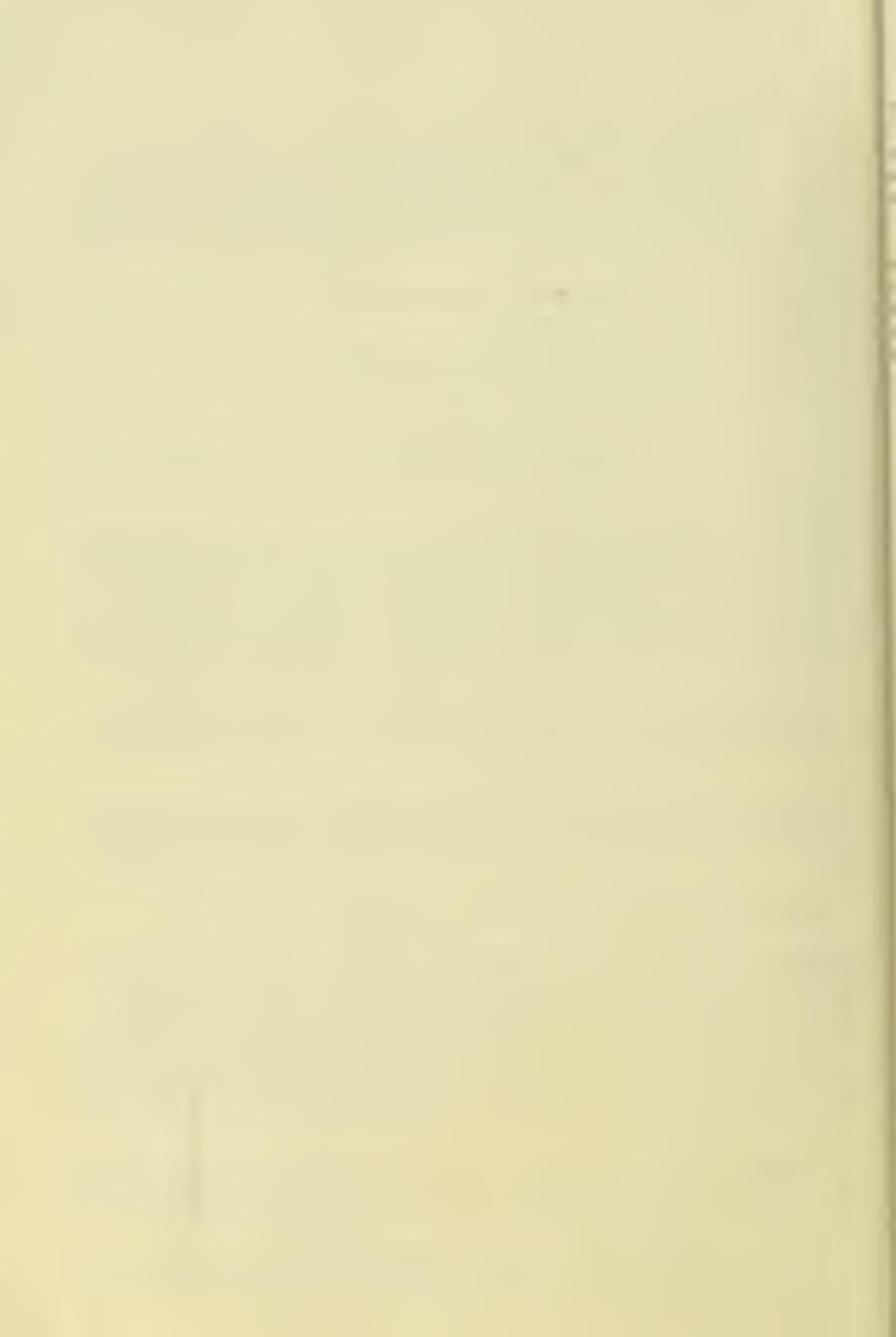
Discussion. Results of the Questionnaire indicate students with more than two children have considerable difficulty finding adequate housing from the standpoint of neighborhood, schools, cost of domicile, and commuting time.

5. RECOMMEND the University provide more married student housing.

Discussion. The Questionnaire indicated a demand for an additional 385 units for the Business School alone (see Appendix I). With the probable increase in foreign students in the coming years, and the continuing upwards spiral of apartment costs, it will become increasingly essential to offer more and more foreign student University Owned Housing in order to permit them to attend HBS. The use of creative financial policy in buying units and constructing new units make considerable savings possible (see Appendix II).

6. RECOMMEND the bias in favor of second year students in the University Owned Housing Units be eliminated, and that the units be distributed on an equal basis.

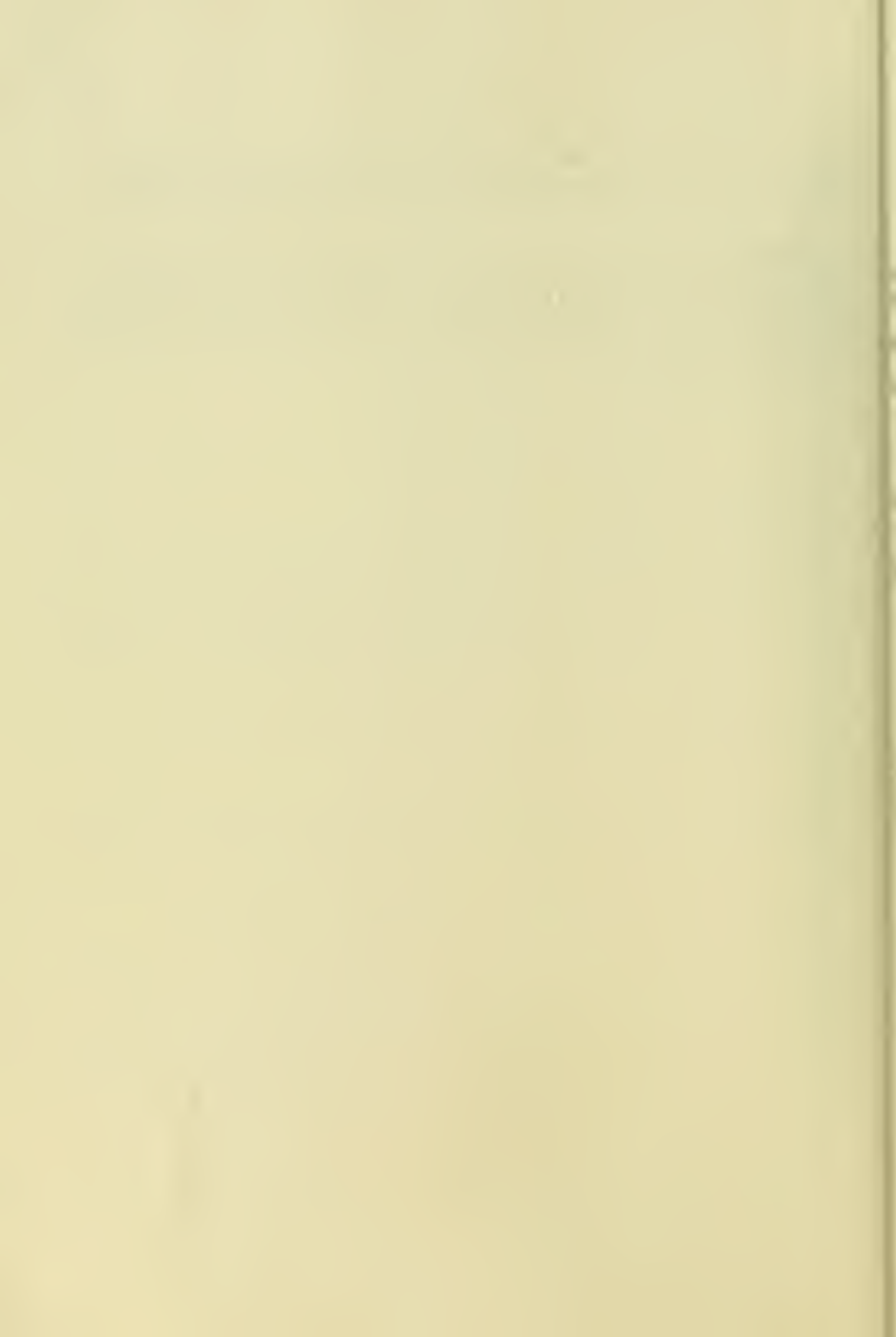
Discussion. Currently there are approximately 102 second year students and 44 first year students living in UOH. In fact, first year students, who



## Proposals, cont.

are more unfamiliar with the area, have a greater need for UOH than second year students who are admitted because they are higher on the waiting list.

7. RECOMMEND the University Housing Office establish a policy not to accept apartment listings of landlords who refuse to rent to foreigners or minority group students. Furthermore, they should attempt to screen apartment listings and keep them updated. We are aware that this is the stated policy of the Harvard Housing Office; however instances of discrimination were reported.



## APPENDIX I

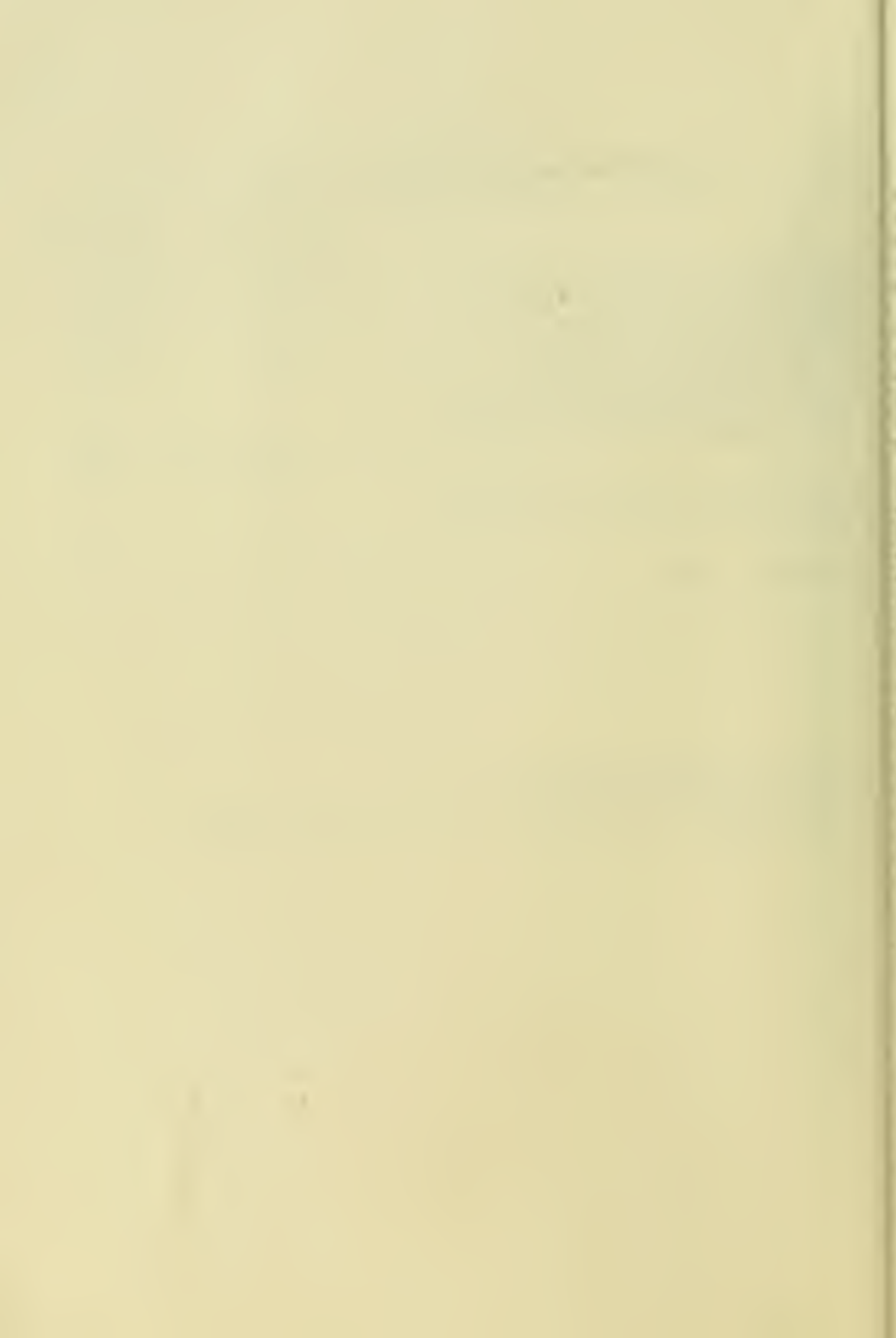
DERIVATION OF DEMAND FOR ADDITIONAL MARRIED  
STUDENT HOUSING

	<u>First Year</u>	<u>Second Year</u>
Total number of married students <sup>1</sup>	375	375
Number of married students living in University operated housing <sup>2</sup>	44	102
Number of married students <u>not</u> living in University operated housing	330	275
Percent of married students who "would prefer to live in University married student housing if more were available" <sup>3</sup>	73%	53%
-----		
Indicated demand for University operated housing	240	145
<u>Total Units - 385</u>		

1. Estimate based on 50% of a class of 750

2. From HBS Telephone Directory

3. From response to question 5e of Student Association Housing  
Questionnaire



## APPENDIX II

## FINANCING STUDENT HOUSING

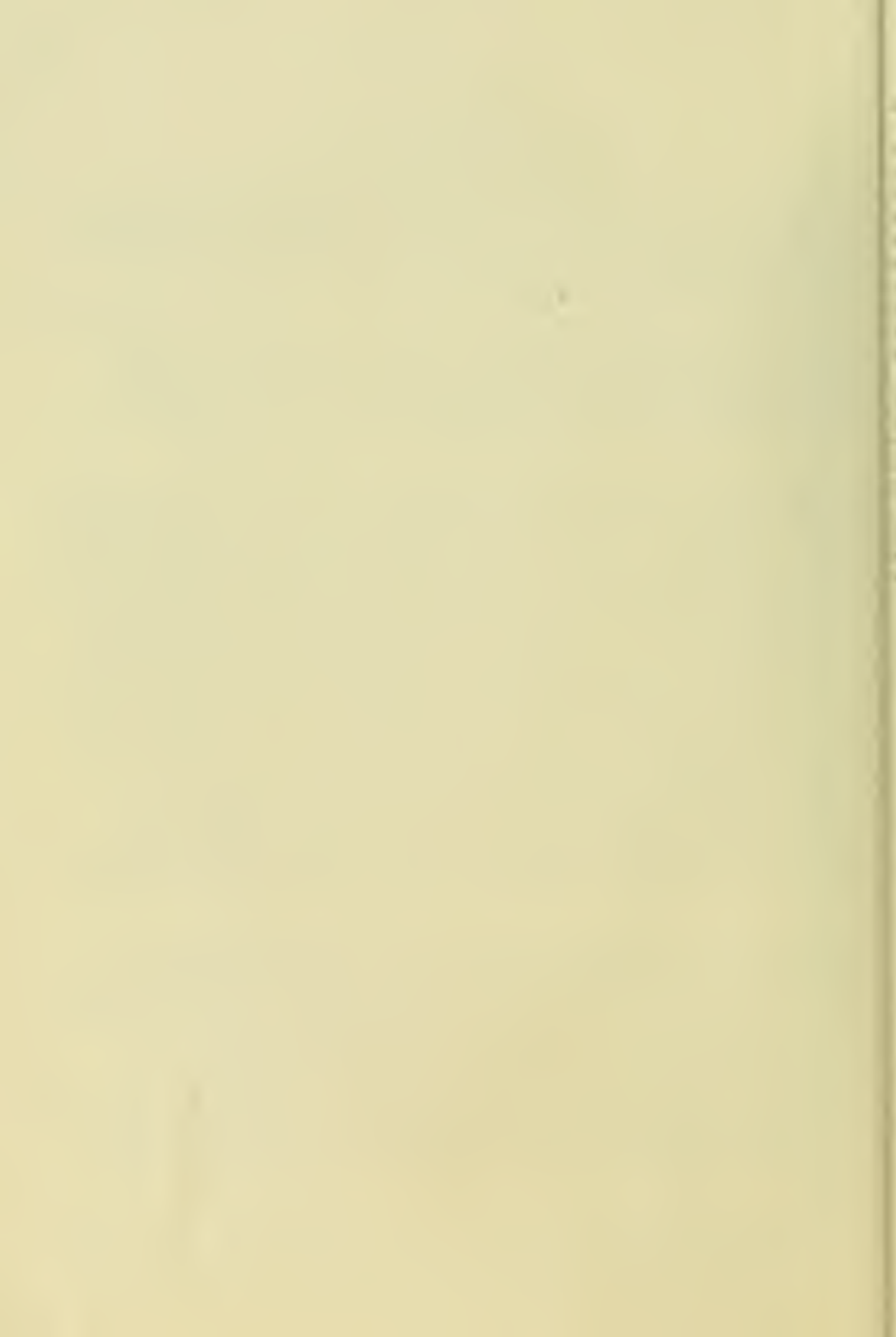
In any business it is desirable to use other people's money for major capital investment programs. Given the unique constraints of educational institutions, such a financing arrangement is practically a necessity. Consequently, the key question when considering the addition of new physical facilities is a financial one.

A building, as a lasting monument to the donor, has particular appeal over other forms of capital contribution. The prestige factor of building donation is a strength in fund solicitation. More importantly, while there is great competition for large capital funds, the tax aspects of buildings offers an opportunity, through the use of creative financing, to multiply the value of such capital gifts that can be attracted.

In real estate the expense items of depreciation and taxes are very important yet these are, to a large degree, not expense items for a non-profit organization. It should be noted that depreciation is primarily a bookkeeping expense and does not represent actual deterioration of the building. While some contribution in lieu of taxes may be made, buildings that a non-profit organization owns implicitly cost more than if equivalent facilities were leased from a private party that was in a position to take advantage of the depreciation. Were a university or foundation to sell its buildings to a private party and then lease them back, it could anticipate realizing proceeds from the sale that exceeded the present value of future lease payments. While government officials would doubtless expect certain higher tax payments, this request can be balanced against use of these additional funds in a way that improves conditions in the environment in which the university operates. Specifically, more student housing would be a very constructive use of such funds in that the removal of students from competition for housing would automatically improve the supply and per capita quality of housing for the community. The University can structure the terms of such a sale-leaseback so that it protects its own interests through such provisions as re-purchase options and lease renewal options.

Another creative approach to the economics of real estate can provide new housing with no investment of Harvard money. When a new building is constructed by a non-profit organization, not only are future tax benefits from depreciation sacrificed but the immediate losses during construction (i.e. interest charges, etc.) are also unavailable as a tax write-off. To take advantage of these tax losses, Harvard should encourage private developers to build the facility and lease it back to Harvard. It would be preferable for Harvard to own the land and minimize property taxes. Since Harvard would provide a guaranteed return to the developer, the total lease cost would be less as the investment would not be speculative but would provide a fixed return. It is quite possible that a major corporation could use its credit rating to facilitate the best financing terms.

An immediate response to the married student housing crisis can be made by the University's leasing entire apartment buildings on a long term basis



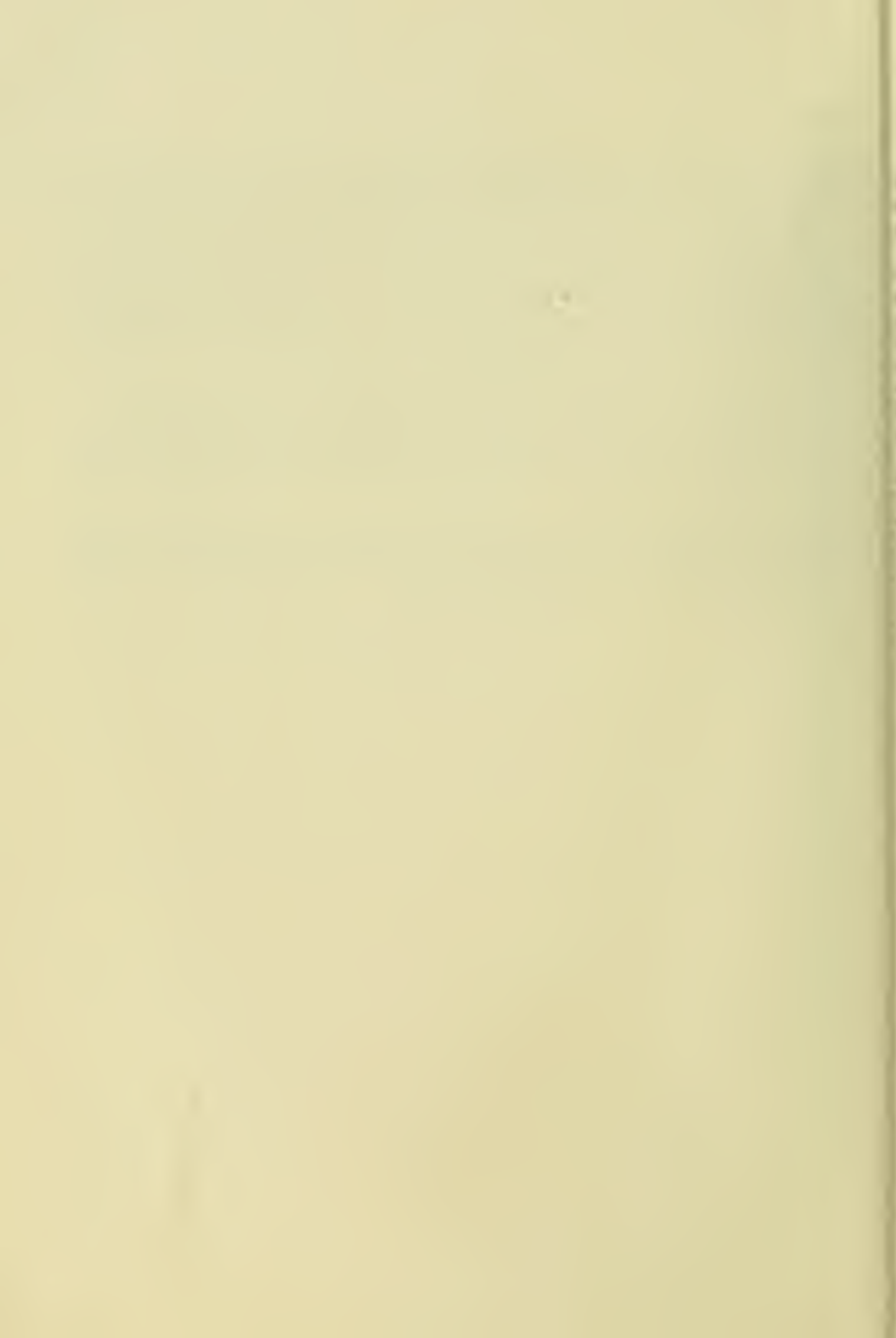


## Appendix II, cont.

so that the buildings owners are guaranteed a fixed return. Since a portion of the rent of an apartment unit represents a premium to cover the risk that the unit will not be rented, the University's guarantee on a lease of the entire building plus the fact that the owner will not have to worry about management will result in the cost per unit to the University being substantially less than what the same units would cost on the open market. By such a leasing approach the University has effectively provided housing at lower than market rates without any capital investment on its part. The advantage of this approach is that immediate implementation for the next academic year is possible.

In pursuing various solutions to the housing crisis there are numerous legal problems and restrictions that must be overcome. It is important that every effort be made to resolve these problems, however, since this issue is a critical one, that, if it is not solved, will adversely affect the educational experience.

The above are obviously only preliminary thoughts on the subject but they are intended to stimulate a more aggressive creative approach to managing and financing Harvard's physical facilities.



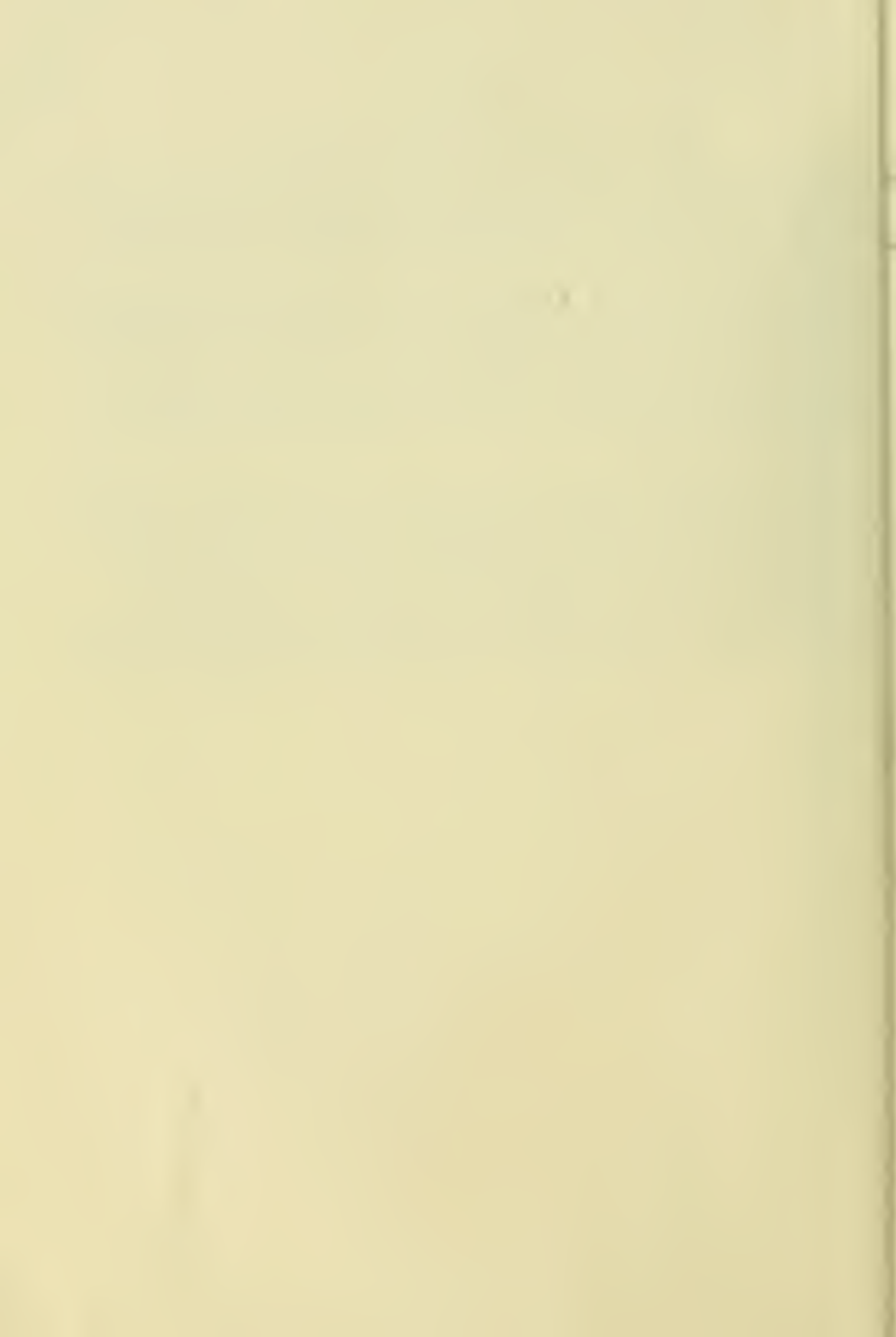
## APPENDIX III

## DISCRIMINATION AGAINST MINORITY STUDENTS

The following information was obtained in a telephone conversation between Mrs. Frank Michaelman of the Massachusetts Federation for Fair Housing and Mrs. Kitty Galaitsis of the Student Association.

A student who experiences discrimination in the course of apartment hunting may write a summary of his experience giving the name of the landlord or realtor concerned and send the summary to the Massachusetts Federation for Fair Housing. Mrs. Michaelman indicated that the MFH will assess the situation to determine what it would require in the way of lawyers, etc., and would forward the summary to the Massachusetts Commission Against Discrimination (120 Tremont St., Boston). Any legal aid used would be at no charge to the student.

Apparently according to the Massachusetts law, a landlord cannot refuse to rent to interested parties if he owns more than four units. Therefore, under the Mass. law, a landlord may refuse to rent on a discriminatory basis, provided he rents four or less units. However, under Federal law, that landlord can be prosecuted and recently such cases have been increasingly taken to the Federal court in Boston. Mrs. Michaelman judged that unless unduly complicated, a case would take about two weeks to be processed. Also the person being discriminated against may sue for damages -- time lost, mental hurt, etc.; and can collect \$2,000 or more.



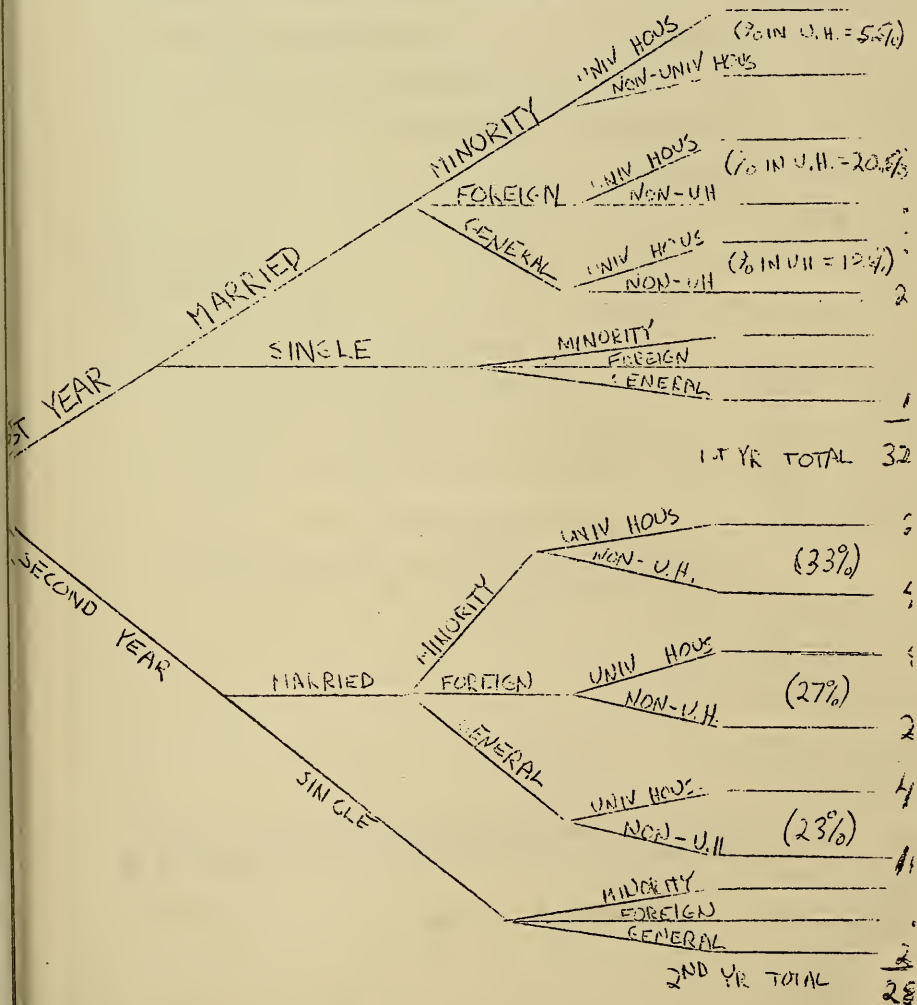
## APPENDIX IV.

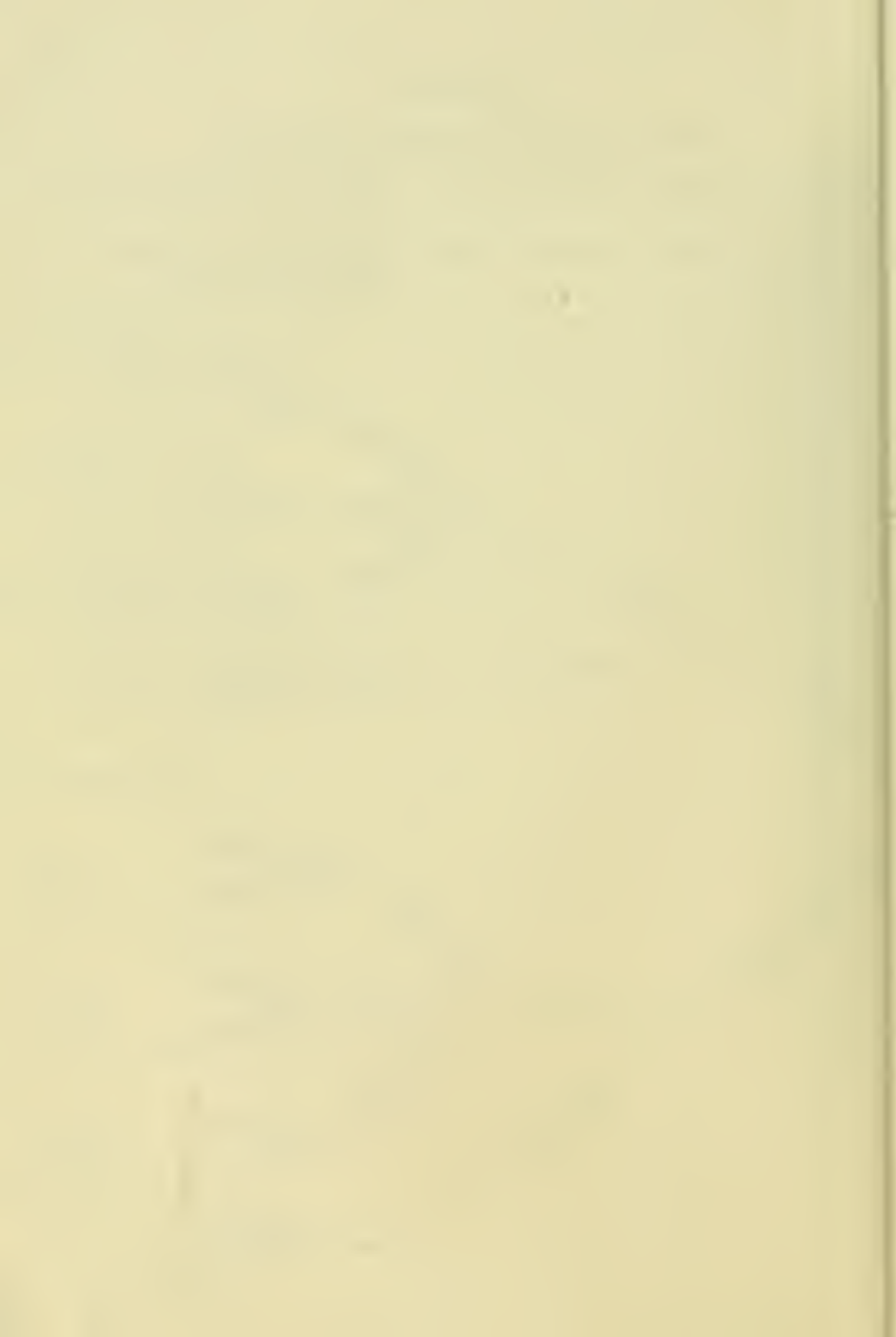
## PROFILE OF RESPONDENTS TO HOUSING QUESTIONNAIRE

First year off-campus respondents = 322

Total 1st year off-campus = 400  
81% response

Second Year off-campus respondents = 284

2nd year off-campus = 550  
2nd year married = 375  
66% response



OFF-CAMPUS  
STUDENT ASSOCIATION HOUSING QUESTIONNAIRE

First Year MBA student  Second Year MBA student \_\_\_\_\_

Address: 229 Harvard St. Apt. #1 Cambridge Mass.  
(street) (city) (state)

married  number in family (yourself included) 2

single \_\_\_\_\_ number sharing apartment? \_\_\_\_\_ (yourself included)

member of a minority group? yes \_\_\_\_\_ no

Are you a foreign student? yes \_\_\_\_\_ no

If so, what nationality? \_\_\_\_\_

Are you living in University married student housing?

yes \_\_\_\_\_ no

-----  
1. Locating Housing

a) HARVARD HOUSING OFFICE

1) University Married Student Housing

- Did you apply for University Housing? yes \_\_\_\_\_ no

- If yes, before acceptance at the B School? yes \_\_\_\_\_ no \_\_\_\_\_

- In spring following B School acceptance? yes \_\_\_\_\_ no \_\_\_\_\_

- Were you accepted in University Housing? yes \_\_\_\_\_ no \_\_\_\_\_

- After applying, how long did you wait before being notified of acceptance in University Married Housing?

1-3 months \_\_\_\_\_

3-6 months \_\_\_\_\_

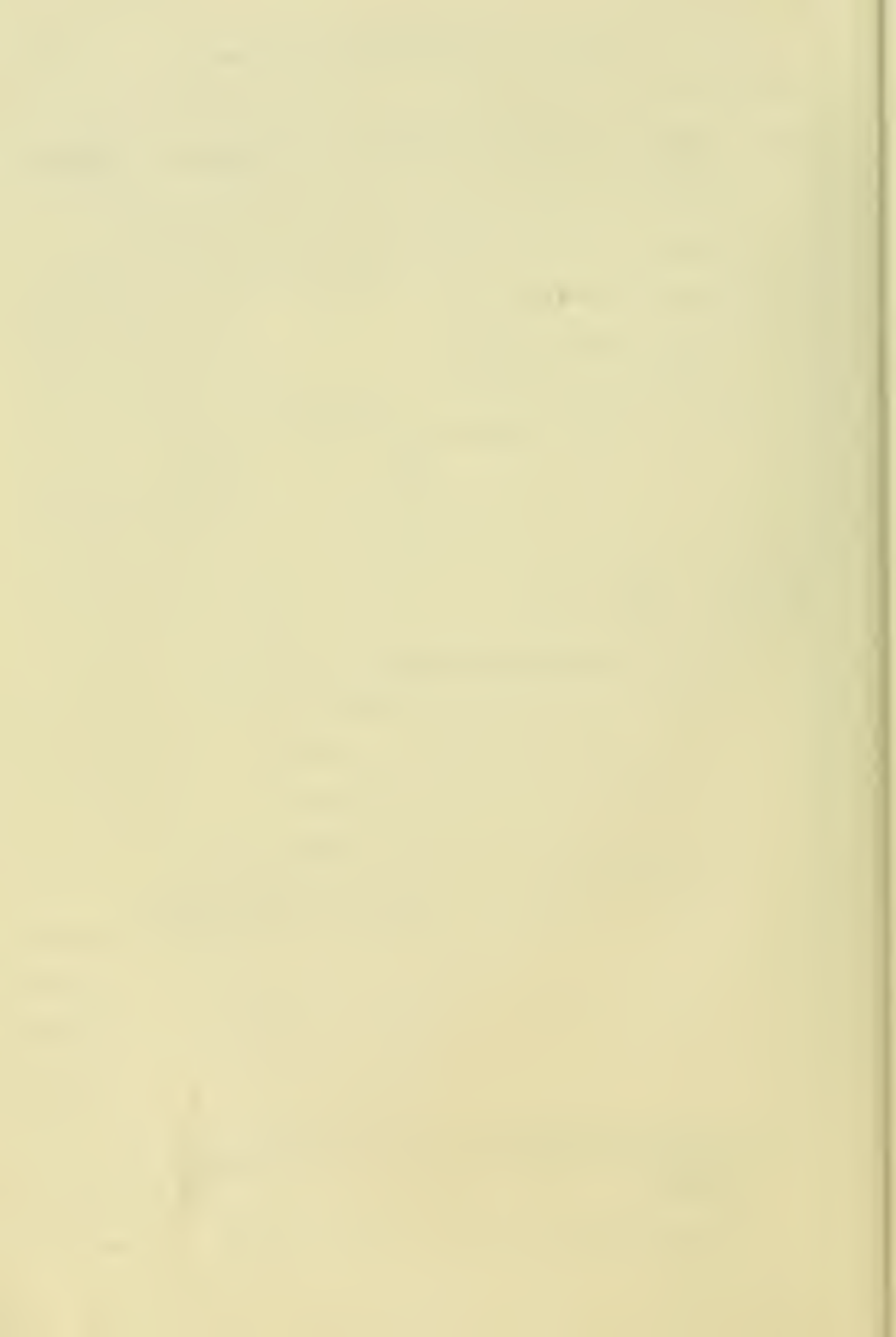
6-12 months \_\_\_\_\_

over 1 year \_\_\_\_\_

over 2 years \_\_\_\_\_

2) Excluding University married student housing applications, did you use the Harvard Housing Office's area apartment listings? yes  no \_\_\_\_\_

- Did you find your apartment by using that list? yes \_\_\_\_\_ no





In general, do you feel the Harvard Housing Office was:

extremely helpful and cooperative \_\_\_\_\_

reasonably helpful \_\_\_\_\_ ✓

not helpful to you \_\_\_\_\_

Would you recommend the Harvard Housing Office to other Harvard students?      yes ✓ no \_\_\_\_\_

b) If you did not use Harvard Housing services, did you find your apartment through:

newspaper \_\_\_\_\_ realtor \_\_\_\_\_

SA Housing listings \_\_\_\_\_

Friends ✓ other \_\_\_\_\_

c) What time of year did you do your apartment hunting?

April-May ✓ June \_\_\_\_\_

July-August \_\_\_\_\_ September \_\_\_\_\_

Other \_\_\_\_\_

d) What period of time elapsed between the time you began apartment hunting and when you finally received confirmation on an apartment?

less than one month ✓ 1 month \_\_\_\_\_ 2 months \_\_\_\_\_

3-4 months \_\_\_\_\_ over 5 months \_\_\_\_\_

e) How many days did you actually spend looking for housing?

1 day \_\_\_\_\_ 4-7 days \_\_\_\_\_

2 days ✓ 7-14 days \_\_\_\_\_

3 days \_\_\_\_\_ over 14 days \_\_\_\_\_

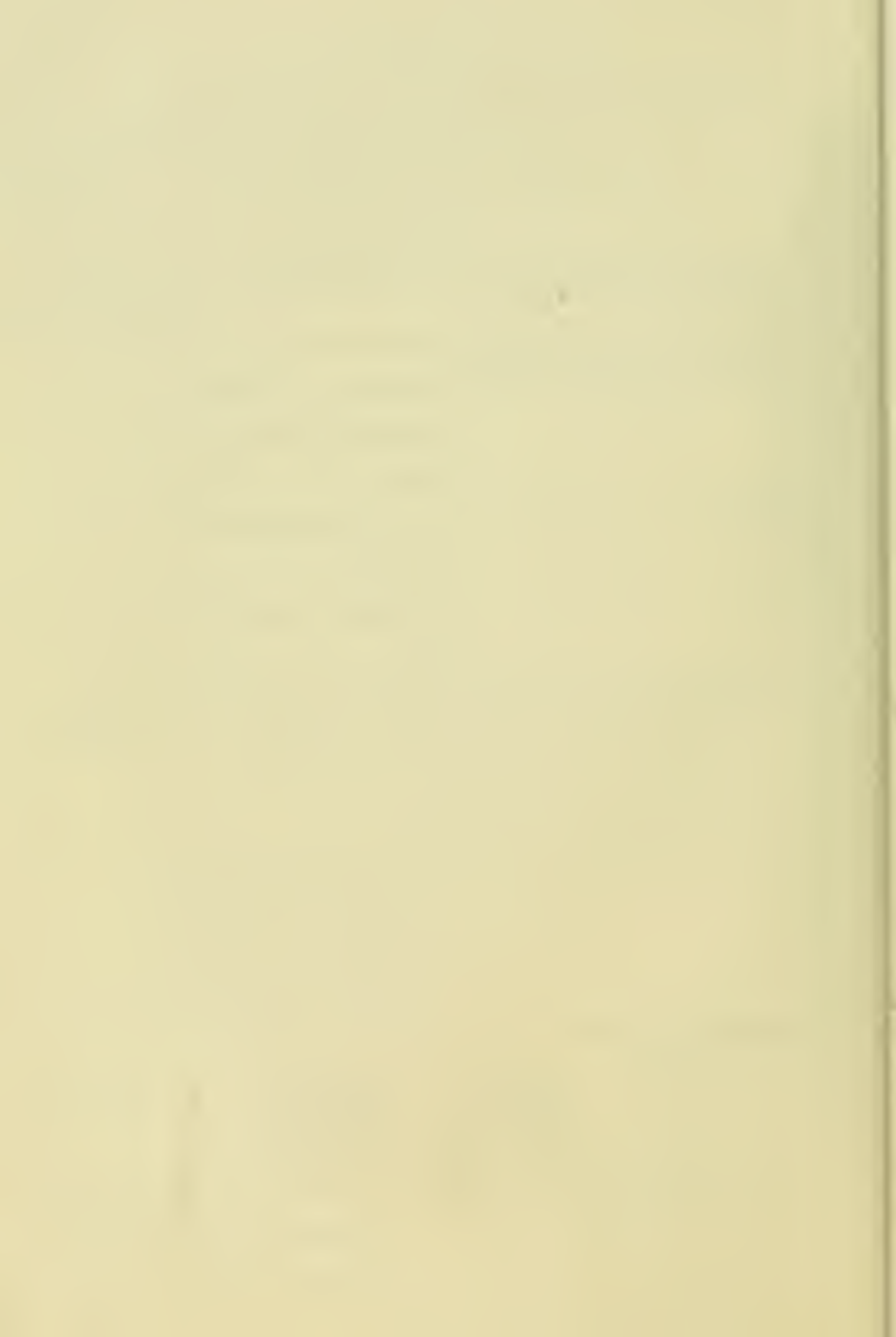
2. Apartment Description

a) Rental rates:      \$75-100 \_\_\_\_\_      \$175-199 \_\_\_\_\_      over \$300 \_\_\_\_\_  
                                 \$100-124 \_\_\_\_\_      \$200-224 \_\_\_\_\_  
                                 \$125-149 \_\_\_\_\_      \$225-274 \_\_\_\_\_  
                                 \$150-174 ✓              \$275-299 \_\_\_\_\_

b) How many rooms in your apartment?      efficiency \_\_\_\_\_ 1 bedroom \_\_\_\_\_

2 bedrooms ✓ 3 bedrooms \_\_\_\_\_

6 rooms or more \_\_\_\_\_



c) Does your rent include heat? yes        no ✓  
Does your rent include utilities? yes        no ✓

d) How much do you feel you can afford to pay for housing? \$ 150 a month

e) Do you have a lease? yes ✓ no       

f) Is your apartment furnished? yes        no ✓

g) What is the condition of the facilities within your apartment? modern       

fair ✓

antiquated       

h) What is the external condition of your building? excellent       

adequate ✓

poor       

i) What type of neighborhood do you live in? high income       

middle income ✓ }

low income ✓ }

3. Landlord

a) Do you feel your lease (if you have one) has reasonable terms? yes ✓ no       

b) Is your landlord prompt with repairs? yes ✓ no       

c) Have your relationships with your landlord been good? yes ✓ no       

d) Would you recommend that other B School students rent from your landlord? yes ✓ no       

4. Area and Transportation

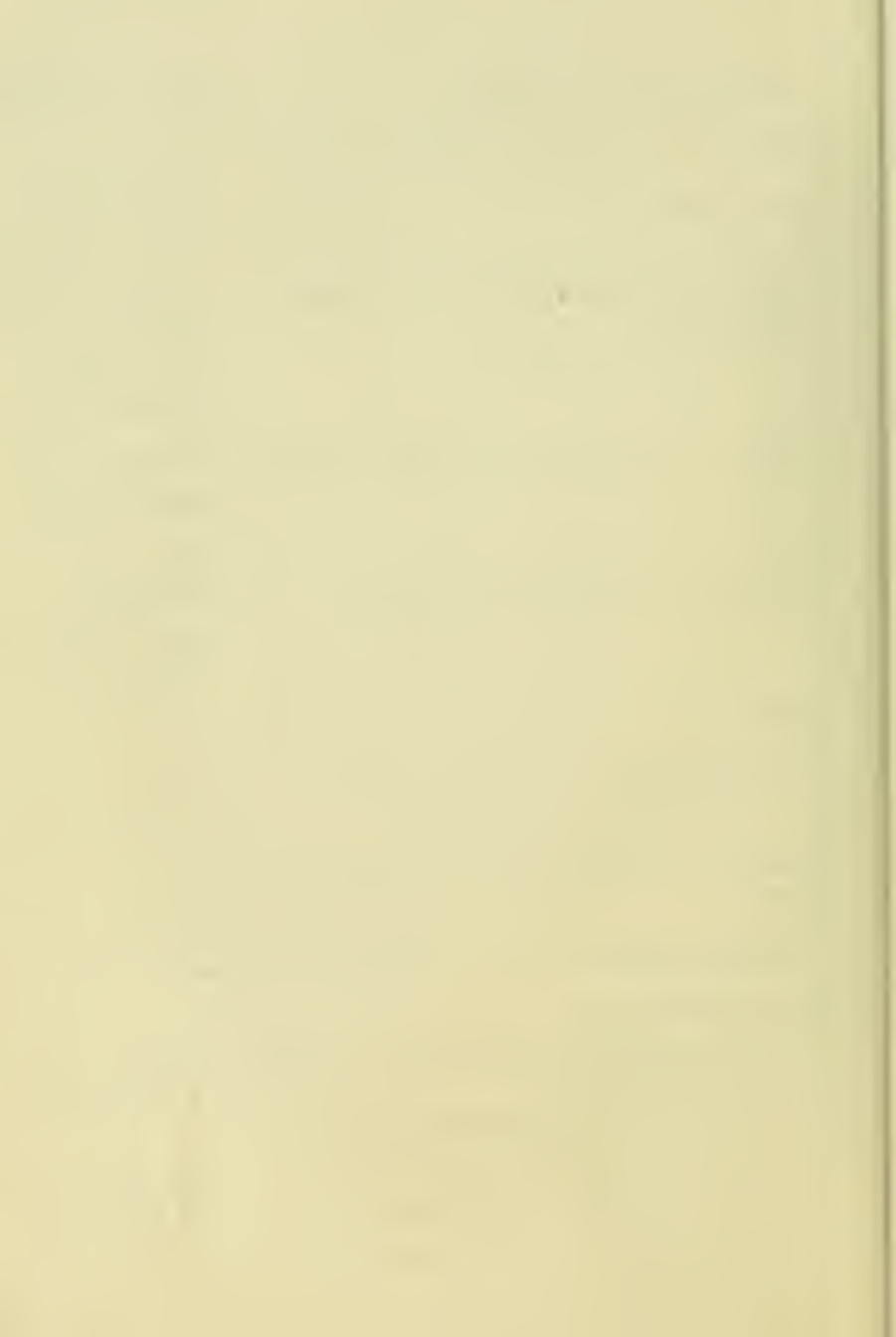
a) Would you recommend your neighborhood to students with young children? <sup>very young 6-14</sup> yes ✓ no ✓

b) How far do you live from the Business School?

1-2 miles ✓ 2-3 miles       

3-7 miles        7-10 miles       

over 10 miles



c) Is there public transportation available to (approximately) the Business School? yes  no

d) How do you usually travel to the Business School (check one only).  
car  subway  combination of public services   
bus  walk  other (specify) \_\_\_\_\_

e) How long does it take you to reach the Business School on the average?  
0-15 minutes  16-30 minutes   
31-45 minutes  46-60 minutes   
over one hour

5. Evaluation

a) Are you satisfied with the housing you were able to find? yes  no

b) Since originally renting in the area, have you had to move? yes  no

How many times?                      once \_\_\_\_\_ twice \_\_\_\_\_ more \_\_\_\_\_

c) If you moved, what was the reason?  
landlord disagreements \_\_\_\_\_  
raise in rent \_\_\_\_\_ building decline \_\_\_\_\_  
decline in neighborhood \_\_\_\_\_  
personal reasons \_\_\_\_\_ other \_\_\_\_\_

d) Do you believe Harvard has an obligation to provide housing for its married students? yes  no

e) Would you prefer to live in University married student housing if more were available? yes  no

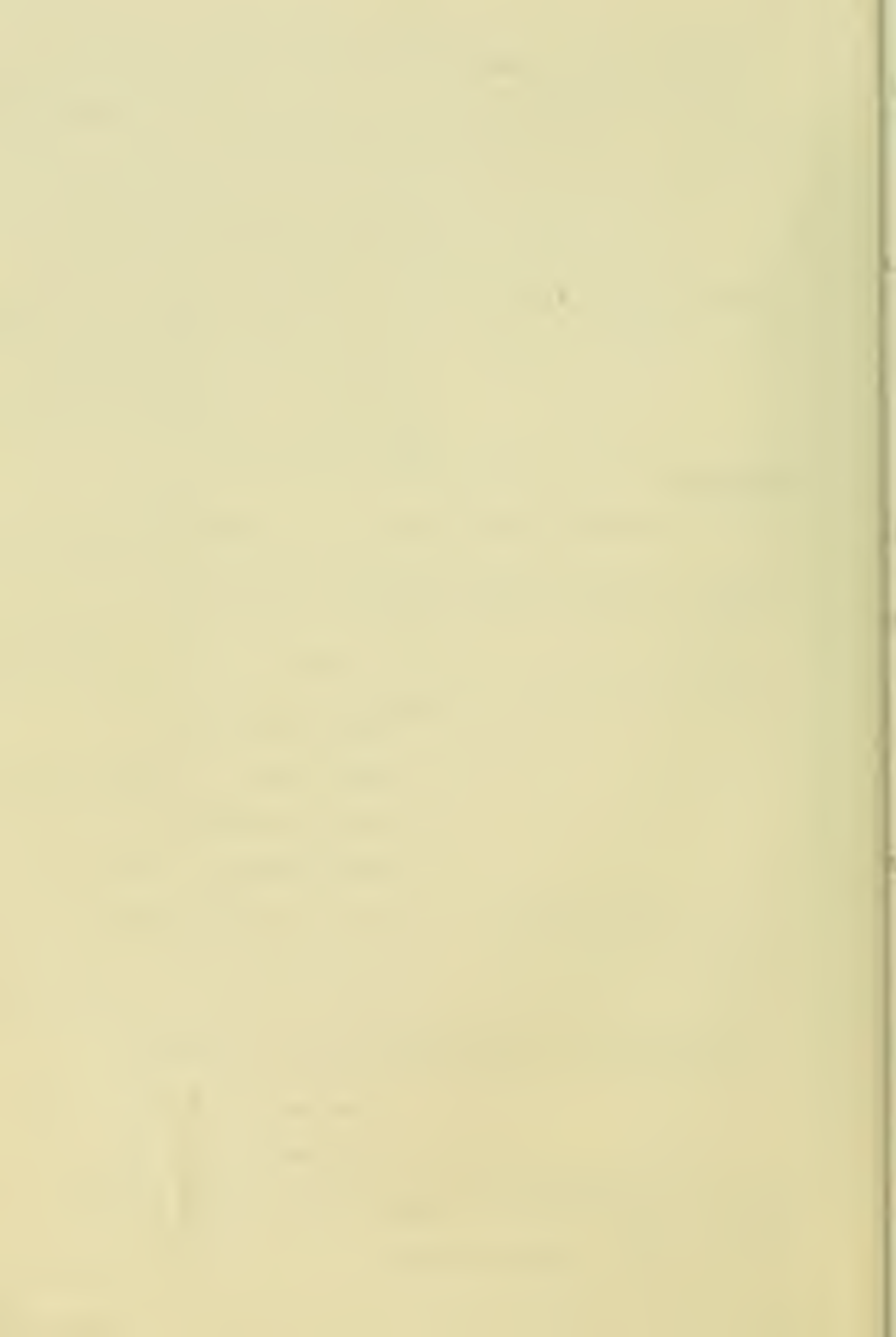
If yes, what would you be willing to pay for a conveniently located University sponsored apartment?

1 bedroom \$ \_\_\_\_\_ a month

2 bedrooms \$ \_\_\_\_\_ a month

6. Do you have any suggestions or recommendations regarding apartment hunting in the Boston area? (use back of page if necessary).

start early, use friends



Supplement page

1. Did you experience any discrimination in locating housing?

yes \_\_\_ no

- If yes, from University listings

yes \_\_\_ no \_\_\_

- From open market listings?

yes \_\_\_ no \_\_\_

2. Please describe any problems if you answered yes to question one.

3. Did you experience any unexpected difficulties in locating housing?

yes \_\_\_ no

Please describe if you answered yes to question 3.

Please comment as you feel necessary.

